

MPs debate capital punishment

Let terrorists hang - Brittan

By Julian Haviland, Political Editor

Mr Leon Brittan, the Home Secretary, surprised and upset abolitionists in the House of Commons yesterday by saying that he favoured the restoration of the death penalty for terrorist murders alone while failing, although a lawyer of distinction, to offer any definition of such a category. Although his general position was known - he voted last year in favour of capital punishment for terrorist murders - his declaration and his reasoning was sharply challenged by Mr Roy Jenkins, a former Home Secretary, and Mr Roy Hattersley, the Labour home affairs spokesman.

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Four UDR soldiers killed

From Richard Ford Belfast

Four members of the Ulster Defence Regiment were killed in Northern Ireland yesterday when a 500lb landmine blasted their Land-Rover off the road in what was seen as a crude attempt by the Provisional IRA to sway the debate on capital punishment.

Only an hour after the regiment had suffered its worst loss since being founded 13 years ago, the naked bodies of two Roman Catholic men were discovered in a car in South Armagh after what is believed to have been a punishment shooting. Both men had been shot in the head and reports in the border area said that they had been abducted from outside an hotel in the Republic late on Tuesday night.

The sudden upsurge in violence came as Northern Ireland MPs flew to Westminster to vote in the divisions on capital punishment. It was widely seen as a tactic to increase the temperature of the debate, bring more votes in the pro-hanging lobby, giving terrorists a propaganda weapon.

The Provisional IRA attack on the UDR was used as a powerful weapon by Unionist politicians who denounced the bombing and argued that it favoured the return of the death penalty.

It also increased the pressure on Mr Kenneth Maginnis, a former major in the regiment and now MP for Fermanagh and South Tyrone where the attack happened, who is one of only two Official Unionist MPs opposed to capital punishment.

He said that the attack had been timed to coincide with the Commons vote, adding: "The IRA are never short of an excuse to commit an act of terror, but when there is a situation such as this there is today and the eyes of the world are on Westminster it is obvious that the IRA will attempt to capitalize on it."

The dead soldiers were named as Corporal Thomas Harron, aged 25, married with one child, from Sion Mills, co Tyrone; Private Oswald Neely, aged 20, married with one child, from Magheramoon, co Londonderry; Private Ronald Alexander, aged 19, single, and Private John Roxburgh, aged 18, single, both from Drumquinn, co Tyrone.

They were in the last of a five-vehicle convoy travelling from Omagh to training exercises in co Down when the huge bomb, hidden in a culvert running under a road, exploded near Ballygawley, co Tyrone. The force of the blast hurled the vehicle off the road and sent mounds of tarmac and earth into fields near by. The Land-Rover burst into flames and

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Tomorrow

Fast... The Times Guide to the British Grand Prix... and furious Heated debate is likely over government involvement in schools at the local education authority conference in Canterbury. Lucy Hodges reports.

MCC not to tour S Africa

MCC members have voted against sending a cricket team to South Africa. Votes taken at a special general meeting in London last night and added to a postal ballot failed to bring the necessary two-thirds majority.

Hongkong talks to resume

China and Britain wound up two days of talks in Peking yesterday on the future of Hongkong. China said they were "useful and constructive". The talks resume in Peking on July 25. Sir Edward Youde, the Hongkong Governor, is to attend.

Cable profits up

Cable and Wireless, privatized in 1981, has reported pretax profits up by 76 per cent to £157m for the year ended March, 1983.

Drink tax talks

The drinks industry is likely to seek early talks with the Treasury after the European Court of Justice ruling that Britain's level of tax on wine is illegal.

Moscow link

As doubts gather about Mr Asrar Ahmad's cancelled visit to Moscow, the Russians have been cementing their links with one of the PLO's hard-line groups.

Health cuts

Health authorities say they will probably have to reduce patient services to meet the deadline for the latest round of spending cuts.

Chirac protest

At a time of growing racial tension in France, M Jacques Chirac, the Gaullist Mayor of Paris, has called for tough new measures to curb the tide of immigrants.

Cool pitch

With the first Test match between England and New Zealand starting today at the Oval, the covers have been put on the pitch, not to protect it from rain but to keep it cool.

Leader page, 13

Letters: On divorce, from Dr J. Dominian, and Honour Lyall Wilkes; international debt, from Mr A J Fox; Hermondeuse, from the Astronomer Royal; Leading articles: Falklands; Financial Times; Russian/Japanese talks.

Books, page 11

Sir John Plumb reviews Kenneth Rose's biography of George V; Richard Holmes on Cyril Connolly; Harry Keating on crime; Michael Ratcliffe on English stones; Nicholas Shakespeare on fiction; Bevis Hillier on Mrs Oscar Wilde.

Obituary, page 14

Mr Ross Macdonald, Mr Seymour Szechter.

Labour left starts NEC battle by ousting Golding

By David Felton, Labour Correspondent

A left wing coup which will remove Mr John Golding, an aggressive right winger, from the Labour Party national executive is likely to be the opening shot in a concerted campaign by the left to wrest control of the executive at the party conference in October.

Strategists on the left in the union movement were predicting last night that the balance on the executive, where the centre-right has a comfortable majority, will swing in their favour and thought a 17-10 majority could be in prospect.

They have identified five seats in the trade union section which they believe can be won for the left and are also confident that Mr Albert Booth will beat Mr Eric Varley for the treasurer's seat on the executive. Excluding Mr Michael Foot, Mr Denis Healey and Mr Varley, the centre-right voting strength is about 17-10.

Right wingers were expressing scepticism that there would be a complete turn about in the balance of power but there is a recognition that the left will mount a powerful challenge this year.

Yesterday's decision by the executive of the Post Office Engineering Union to drop Mr Golding, one of its sponsored MPs, as its NEC nominee was not entirely unexpected after the union executive's swing to the left in elections in the spring.

There is an influential Militant Tendency presence in the 14-9 left majority and it was thought that Mr Golding was likely to be one of the first targets of the new regime. The executive said that the decision related solely to the Labour NEC and not his sponsorship as an MP.

"The NEC fully recognizes John's valuable work on behalf of the union as a sponsored MP since his election to Parliament in 1969 and wishes to see him continue that role in the future", a statement said.

Immediately the decision of the post office union became known, the executive of the Civil Union of Communication Workers decided to nominate its deputy general secretary, Mr Tony Clarke, for the NEC in Mr Golding's place.

Mr Clarke is on the right of the party and Mr Alan Tiffin, UCUV general secretary, said that a tradition of the two communication unions supporting each other's candidates was now at an end. "I am deeply disappointed with the treatment handed out to John and I think it will be bad news for communication workers as well as the Labour Party," Mr Tiffin said.

He also announced that a consultation exercise among his 180,000 members on the Labour leadership issue had produced an overwhelming

Continued on back page, col 1

Management hopes hinge on TUC

By Barrie Clement, Labour Reporter

Management hopes for an end to the dispute which has halted the Financial Times now hinge on TUC action to discipline the union involved.

The company hopes that the TUC would be prepared to take strong steps against the National Graphical Association, possibly up to the point of expulsion from the union movement.

It is thought that if the NGA were to be outlawed, other unions would feel able to break the strike.

Meanwhile the company is still hoping that the national leadership of the NGA will order the machine managers back to work, or abandon them and agree to a scheme to produce the paper without them.

Trade unionists felt last night that the schemes had the ring of desperation about them and that the company would eventually be forced to pay the strikers more money.

The plans rely for their success on draconian measures by Mr Len Murray.

The Advisory Conciliation and Arbitration Service (ACAS) yesterday wrote to the NGA calling on them to accept the mediator's recommendations.

The company sent out a memorandum to its staff seeking to correct an article in The Times yesterday which said that Mr William Keys, general secretary of Sogat '82, would not allow his union to produce the paper without the agreement of the NGA. The management contended that he was studying such proposals.

A spokesman for the NGA yesterday confirmed that Mr Keys had given it such an assurance. He had repeated the assurance to The Times.

Leading article, page 13



Lucky escape for Kinnock in M4 crash

Mr Neil Kinnock, favourite to win the leadership of the Labour party, with the wreckage of his car, from which he had a lucky escape yesterday when it went out of control on the M4, hit a bank and turned over (Rupert Morris writes).

Mr Kinnock, who described his

escape as miraculous, suffered minor cuts and bruises, and was at the House of Commons later to take part in the debate on hanging.

He was alone, on the way to his West London home after a party meeting at Barry, south Wales, when he lost control of the new Ford Sierra

near Newbury, Berkshire. He passed a police breath test and said afterwards that he was not overtired and had no idea how the accident happened.

Mr Kinnock, aged 41, climbed out through a window, and was taken home by taxi. His car was described as a write-off.

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Industrial activity at three-year high

By Edward Townsend, Industrial Correspondent

Industrial activity in Britain is at its highest level for three years, according to official figures issued today. They show that the gradual improvement in the economy is being maintained.

Output rose by 0.5 per cent in May, its best performance since July, 1980. Almost all sectors of industry, including the beleaguered metal manufacturers, are increasing production.

Ministers have little cause for euphoria, however. While the underlying level of output, adjusted for stock changes, was 3.5 per cent above the 1981 production, production in the country's factories, mines and refineries remains at least 14 per cent below the levels of summer, 1979.

According to figures released by the Central Statistical Office (CSO), production has been increasing since the start of the year, apart from a slight hiccup in March.

In the three months to May,

output was 1.5 per cent above the previous year, but analysis of individual sectors confirms the Confederation of British Industry view, shared by the Prime Minister, that the recovery is "patchy and thin".

Hard-pressed manufacturing achieved a 0.5 per cent rise in output in the latest three months but was down, also by 0.5 per cent, on the same period a year earlier.

The best performers were in metal manufacture, where output was up 5.5 per cent over the three months, and chemicals, coal and petroleum products, which showed a rise of 2.7 per cent.

In contrast, engineering and allied industries increased by only 1 per cent and textiles, leather and clothing by 0.5 per cent in the three months. Other manufacturing was unchanged and food, drink and tobacco output was down by 2.5 per cent.

Propriety rules at Palace

By Alan Hamilton

When meeting one's monarch in conditions of extreme heat, the question is, does one or does one not wear stockings?

Among 8,000 guests at the first Buckingham Palace garden party of the season yesterday who cooked for a chance to glimpse the Royal Family, propriety far outweighed daring.

Stockings blue, white and brown covered the majority of female legs of all ages, but not those of the Princess of Wales. She stepped among the multitude showing bare brown legs beneath her apricot and cream silk two piece outfit, and caused many guests to realize they could have dressed a great deal more coolly without raising so much as an eyebrow.

Dresses on the whole remained decorously up to the neck.

No such sartorial abandonment afflicted the gentlemen guests, who almost to a man braved boiling black tails, waistcoats and topers.

The copious provision of iced-coffee could not entirely assuage the effects of the heat; 12 guests fainted. One lady was borne away on a stretcher bearing a beatific smile as though embarking on her last journey in the prior knowledge that she would arrive at the right destination.

The Queen, in blue-striped cotton and a white hat, and Princess Michael of Kent, entirely in white, showed the expected fortitude in the heat.

But the Queen Mother, being the most experienced celebrity in the world, outshone them all, strolling under a white parasol clad in blue chiffon that billowed like a three-masted schooner in the Rearing Forties and created a cooling draught all of its own. That, as they say, is class.

Europe swelters and the shooting starts

By Our Foreign Staff

Deaths in West Germany and shootings in France have accompanied the heatwave smothering Europe with temperatures well into the nineties.

In the streets of Frankfurt, 10 people have collapsed and died from heatstroke resulting in heart failure, while at Blois, on the Loire in France, a driver protesting at being blocked by two cars shot dead a lorry driver who told him to stop shouting and awakening the dead.

Throughout France the heat point duty stood in basins of water in the road with their trousers rolled up.

On one motorway a huge 190-mile traffic jam built up. "The longest sauna in the world", as a police spokesman called it.

German cities with their liberal laws have allowed mass nudity at beaches and parks, and the popular newspapers are having a field day.

In Sweden, unaccustomed to temperatures in the mere eighties, car accidents and cases of heart failure increased drastically while police believed that a man who leapt from a ferry and drowned was driven by the heat.

By contrast, such temperatures were shrugged off as below

normal in many parts of Spain.

LONDON: The hottest place in Britain yesterday was Liphook, Hampshire, with 92F (Our Home Staff writes). London, with the temperature reaching 89F during the afternoon, had its hottest day since 1976. In Cardiff and Southampton it was 91F.

Heat damaged roads, closing the M4 westbound at Brentford and the M40 westbound in Buckinghamshire. The Severn bridge grew a foot in its mile and a half length, its steel heating up to 130F.

Effects of heat, page 3

Weatheralls West End Offices To Let

Tottenham Court Rd. W1 1SS to 12,000 sq ft
 Curzon Street W1 1SS to 12,000 sq ft
 Victoria, SW1 1SS to 12,000 sq ft
 New self contained building with car parking
 Weymouth Street, W1 1SS to 12,000 sq ft
 Fully fitted air conditioned building with car parking
 Mayfair, W1 1SS to 12,000 sq ft
 New self contained building close to Park Lane
 St James's Square, SW1 1SS to 12,000 sq ft
 All air conditioned buildings in prime locations
 Buckingham Palace, SW1 1SS to 12,000 sq ft
 Two office floors with low outgoings
 Oxford Circus, SW1 1SS to 12,000 sq ft
 Haymarket, SW1 1SS to 12,000 sq ft
 To be refurbished Occupation Autumn 1983
 Buckingham Gate, SW1 1SS to 12,000 sq ft
 Joint agents Sack & Gale
 Hanover Street, W1 1SS to 12,000 sq ft
 Immaculate office suite with parking

Weatheralls Green & Smith
 01-405 6944

Effects of heat making people careless and accident-prone

By Rupert Morris

People are becoming careless and accident-prone because of the hot weather, a doctor at a seaside resort said yesterday.

Dr Gillian Macdonagh, consultant at Queen Alexandra Hospital, Portsmouth, treated 27 day trippers and holiday-makers on one day during the ear-early in the hospital's casualty department, which now expects 1,500 patients in July alone.

Many of the injured needed treatment for burns, ranging from sunburn to accidents in the home where people were only lightly clad in tee-shirts and swimming gear. In the last 10 days the number of people being treated for burns at the hospital has risen by 50 per cent.

Dr Macdonagh said: "There is no single explanation except that many people have become careless in this weather. The heat is taking its toll. It is not so far-fetched to warn that people could die if they sleep in bedrooms without proper ventilation."

As temperatures continued into the 90s, Smiths Industries in Cheltenham, Gloucestershire, told its workers that they

could clock on at 6am and leave work at 2pm, to avoid working through the heat of the afternoon. Several other local firms followed suit.

A Smiths spokesman said the new working hours would also prevent the malfunctioning of overheated delicate instruments - which is what caused the startled townspeople of Brecon, Powys, to be woken in the early hours of the morning by an incessant pealing of bells.

New machinery had been installed in the bellry of St David's Church and the heat is thought to have caused a pin to dislodge so that the bells rang for half an hour until the Rev James Courts climbed up in his pyjamas to restore calm.

At a South Wales suntan oil factory 140 women were sent home after refusing to wear long-sleeved overalls as the factory floor temperature reached 100°F.

Mrs Margaret Meacham, shop steward at the factory, said yesterday: "We asked to be allowed to wear short sleeves and sandals and have a cold drink in the afternoon. But the company refused and said we had to wear the normal overalls

and stout shoes, and sent the girls home."

"One woman collapsed and we have several others who are pregnant. For a firm making suntan oil you would think they would understand about hot weather."

There was a health fire yesterday at Liphook, Hampshire the hottest place in Britain for the past two days, and the Hampshire Ambulance Service found most of its vehicles overheating. Back-up ambulances had to be sent out while others waited to cool down.

In Chichester, Sussex, and RSPCA official tried to track down a couple whose dog had died of heat stroke after being left in their car. An RSPCA spokesman said: "To confine a dog in a parked car in this weather is nothing short of torture."

Water authorities in Wales and the south and east of England appealed to gardeners to use hosepipes sparingly and advised people to put off washing the car. In parts of Gwent, Powys and Ceredigion the use of hosepipes was banned, and sprinklers will be banned in most of Gwynedd from today.

Briton acquitted of killing wife's lover

A Briton was cleared at the Central Criminal Court yesterday of murdering his wife's lover 3,000 miles away in Kuwait.

Mr Roy Amlot for the prosecution, had alleged that Colin Littlechild, aged 41, had tracked his runaway wife to the Arab state where she was living with his friend Mr Jack Smith, aged 32, a British oil worker.

The prosecution claimed that while Mr Smith slept, Mr Littlechild cut his throat for motives of "jealousy and revenge", afterwards disguising the killing as suicide by placing the knife in Mr Smith's hand.

But Mr Littlechild, of Waddington Avenue, Old Coulsdon, Surrey, told the jury he had nothing to do with the killing three years ago, although he was in the flat.

He said he spent the night there after flying to Kuwait hoping that Mr Smith might help him to find a job. Mr Littlechild said he was extremely embarrassed to find his wife Lena, aged 36, living with Mr Smith. He had not seen her since she left their former home at High Street, Lingfield, Surrey, two months earlier.

The jury heard conflicting evidence from professor Keith Simpson and professor James Cameron the British pathologists and Mr Ibrahim El Abd, an Arab pathologist. Professor Simpson and professor Cameron both said that after examining photographs of the dead man they believed he had been murdered.

The Arab pathologist, called for the defence and the only one of the three to have examined Mr Smith's body, said he



Mr Littlechild after his acquittal

believed that the oil worker had committed suicide.

But Mr Amlot said: "Suicide does not make sense."

Mrs Littlechild had vanished in April, 1980, after changing her name to Smith by deed poll, unknown to her husband. She and Mr Smith, although both married, went through a form of marriage in Kuwait and lived very happily together until Mr Littlechild arrived. Mr Amlot said.

Mr Littlechild said he had wanted to find his wife to sort out financial arrangements over their flat. The three had drinks and discussed the matter. He left for twenty minutes to allow matters to "cool off" and, when he returned, found the atmosphere between his wife and Mr Smith "tense".

He told the jury: "I personally think the answer to all this lies in what happened or was said between Lena and Jack while I was out."

Jeers as bail is refused in council siege case

An angry crowd jeered yesterday when magistrates refused to give bail to Terence Rafferty, the man at the centre of the council chamber siege in Liskeard, Cornwall, nine days ago.

Mr Mike Robertson, a wealthy stores chief, had offered to stand bail for any sum the court named.

But magistrates rejected the application and Mr Rafferty, 54 today and an unemployed father of three, was remanded in custody for a further week. Reporting restrictions have been lifted at the request of the defence.

Mr Rafferty, of Polbathick, east Cornwall, is accused of possessing a 12-bore shotgun at Liskeard on July 4 with intent to endanger life.

Yesterday the 200-strong crowd outside the court jeered

when Mr Robertson told them Mr Rafferty was remanded in custody.

It was said earlier that the siege began after Caradon's planning committee turned down a planning application by Mr Rafferty. Mr Philip Stebbins, defending, said yesterday the siege was a "one-off offence". A once-in-a-lifetime demonstration. Mr Rafferty would be "heavily prejudiced" in his defence if he was kept in custody.

Mr Arthur Hutchings the Magistrates chairman rejected the bail application. On the same grounds as last week: "That Rafferty obtained a shotgun and adapted it for a particular use." Mr Hutchings said the decision was reached after also considering "previous threats" made to the planning officer.

Jeffreys gets new judgment

By Richard Dowden

Was Judge Jeffreys a monster who sent people to the scaffold with ghastly glee? Or was he an innocent victim of circumstance, suffering unendurable pain, stress, overwork, diminished responsibility, acting on orders, occasionally tired and emotional? Quite a charming and humane chap really?

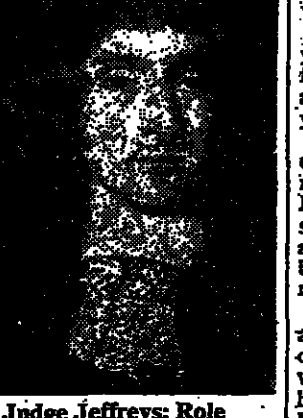
In the columns of the *Law Society Gazette* lawyers are battling over the reputation of perhaps their most celebrated colleague.

In an article Celia Hunt quotes Thomas Pitt, who she says attended some of the sittings, at which Jeffreys is reported to have sentenced more than 160 people to be hung, drawn and quartered.

He observed neither humanity to the dead nor civility to the living," Mr Pitt wrote. However, Richard Ross, a London solicitor, dismisses Thomas Pitt as a virulent Whig pamphleteer, and says Jeffreys was "humane, intelligent and satirically humorous, though irascible when provoked. He could at times be charming."

Mr Michael Rubenstein, another London solicitor, dismisses Mr Ross's case as "nauseating whitewash" and is incensed at the suggestion that "evil conduct... should be condoned or excused by reference to physical or temperamental malfunctioning."

The truth, according to a historian of the period, contacted by *The Times*, is simply that Jeffreys had no choice. Dr Peter Earle of the London School of Economics says that the mandatory penalty for treason was being hung, drawn and quartered. The only appeal was to the king. Does Jeffreys deserve a retrial?



Judge Jeffreys: Role disputed



A hot spot: Police Constable L. Parry taking Gideon through a flaming hoop at the Metropolitan Police Horse Show at Imber Court, East Molesey, Surrey, yesterday. Photograph: Harry Kerr

Murdered au pair 'treated as skivvy'

Miss Alana Paton, an au pair, was a "skivvy" to her wealthy West German employer, but when she was murdered in a wood in Hamburg the school teacher who made her work 12 hours a day refused to help detectives to find her killer, an inquest jury at Milton Keynes, Buckinghamshire, was told yesterday.

Herr Volker Schmidt, a German detective, told the court about the lack of co-operation by Miss Paton's employer, Frau Silke Lehmann, and a cry for help by the girl, dying from three stab wounds in her chest and shoulder.

Herr Schmidt said: "Frau Lehmann does not want to help police. I think she, like other German teachers, is anti-police. We think she knew her attacker otherwise she would not have gone in this dark place."

Miss Paton, aged 17, of Rimsdale Court, Bletchley, went to work for the Lehmanns 12 months ago. She was found unconscious 250 yards from

where she was attacked in March.

Mr Rodney Corner, the coroner, told the jury that Frau Lehmann had refused to come to England to give evidence despite cash offers to cover her expenses.

One friend, Miss Tina Moore, aged 17, read passages from her letters which described how she used to cry herself to sleep at night "because I am so unhappy and hate the Lehmanns."

Mrs Jane Brockman, the dead girl's mother, told the jury: "She wrote and told me she was being used. She worked from 7 am to 7 pm, and one month she did not get a single day off."

After the jury returned an unlawful killing verdict, the girl's stepfather, Mr Raymond Brockman said: "We are not happy about the Lehmanns, and we are very bitter over the way Alana was treated but we are ordinary people and cannot afford to pursue the matter."

Mounted band plays out

The Royal Artillery Mounted Band one of the oldest and most famous bands in the British army, plays its swan song tonight at the Royal Military School of Music, Kneller Hall. The band, which first played in 1878, at the Queen's birthday parade, but had its origins more than 100 years earlier, is a victim of defence cuts. The original band was formed in 1747.

The mounted band came into being 113 years later with the amalgamation of the bands of the Royal Artillery and the Royal Horse Artillery.

Since the decision to disband, Captain Frank Renton, the director of music, has lined up an impressive array of engagements for his musicians, including the Turin Festival and special performances for the British Ambassador in Rome.

Captain Renton will be guest conductor tonight when the band plays its final farewell to Kneller Hall.

Warning by judge on Mafia cash

A judge at the Central Criminal Court issued a warning yesterday that Mafia-backed bondsmen, standing bail for accused people, often get their money back from the crime syndicate when people flee before trial.

Judge Michael Argyle, QC, made his comments after hearing that Iran Kesselmant, an alleged international cocaine dealer, had jumped bail of £50,000 and returned to the United States days before he was due to appear for trial.

He told Mr Stuart Brock: "If you receive any reimbursement from any Mafia source, or anything of that sort, you put yourself in very grave danger."

Mr Brock, aged 43, an electronics designer, of Peterborough Mansions, New King's Road, Fulham, south London, said there was "no question" of anyone returning the £25,000 bail he put up for Mr Kesselmant, a businessman.

Judge Argyle said Mr Brock and Miss Delia Hirst, aged 30, of Chesham Road, Clapham, who put up £5,000 bail, had been "double crossed" by Mr Kesselmant, a friend they trusted.

Treasury talks may be sought soon by drinks industry

By Staff Reporters

Early talks with the Treasury are likely to be sought by the drinks industry after the ruling by the European Court of Justice that Britain's rate of taxation on wine is illegal.

The ruling comes at a time when figures, to be issued by the industry today, show that the number of consumers in Britain has almost doubled, with the annual consumption of wine now at 13.5 litres a head.

In contrast, Europeans are drinking less wine. The European Commission says that the average citizen now consumes of no more than 4.7 litres a year compared with nearly a litre a week in the late 1970s.

A sharp downturn in sales of "heavy" wines like sherry, port and vermouth over the past 12 months is shown in today's figures from the Wine and Spirit Association of Great Britain. But consumption of table wine has increased from 90 million litres in 1970 to about 332 million litres now.

Looking at a relatively balanced drinks economy such as Germany's, they get through 25 litres of wine per head each year, a spokesman for the association said. "So in European terms we are still small beer."

Sales of still and sparkling wines were up by 7.7 per cent, or 24 million litres heavy wines were 12 million litres less in the past 12 months and 16 million litres over a three-year period.

The industry has welcomed the European Court of Justice ruling. We normally talk to the Treasury at least once a year but once we have done our sums we might look for an early consul-

tation", the Wine and Spirit Association said.

The spokesman said that the downturn in port and sherry sales represented a heavy loss to the industry and came after the widening in the 1981 Budget of the differential in duty between light and heavy wines.

The drop in EEC consumption is largely attributable to a decrease in both France and Italy. Over the past 20 years, consumption in France has dropped from 123 litres to 89 litres a head, and in Italy from 109 litres to 84 litres a head.

It is bad news for those who have to stop the European "wine lake" from flooding. The EEC, despite the fact that it is succeeding in getting half a million acres of vineyards ploughed up since 1980, is still producing more wine than it can consume.

The "wine lake" at the moment would fill about 100 million ordinary bottles and estimates of this year's vintage are that it will be another bumper year producing about 169.7 million hectolitres. That is about 30 million hectolitres more than last year, when production was 3 per cent more than the EEC could consume.

This year's harvest is also likely to produce the highest ever amount of quality wine, with nearly a quarter of the total production falling into the top category, the highest proportion since 1974 when there was a smaller harvest.

Wine continues to be only the fourth most popular drink in the community. Tea is top, with the average citizen drinking 200 litres a year, followed by coffee (170 litres) and beer (90 litres).

Year-old British cars best buy, AA finds

By Clifford Webb, Motoring Correspondent

Too many motorists are swayed by giveaway prizes such as colour television sets, holidays in the sun and big discounts when buying their new cars when they should be checking on its resale value, the Automobile Association says.

To prove the point it has conducted a survey of the depreciation values of different makes. The result published yesterday in the AA's *Drive* magazine reveals trends which are aids to selecting new and second-hand models.

British cars tend to depreciate more than foreign makes in their first year but are better at holding their value in succeeding years. It suggests that one to three-year old British car makes a good buy.

That contrasts sharply with Japanese cars which hold their value well in the first

year but depreciate steeply in the second. French and Italian cars lose most in the first year but German cars follow the Japanese pattern of good first-year prices.

One car appears to come out of the survey with an impressive retention value at the end of its 12-month warranty period. The Ford Escort 1300cc is said to be still worth 97 per cent of its current purchase price, a figure which surprised many Ford dealers last night. They put it at nearer 85 per cent.

Jaguar revealed yesterday that sales of its cars worldwide in the first six months of 1983 totalled 14,528, an increase of 42 per cent on the same period last year.

America sales of 7,733, (73 per cent up) put Jaguar well on the road to beating last year's record annual total of 10,349.

Working late again?

When NEC - computer-makers to the world - made their own computer, naturally, by cutting out the middleman, they made their own computer more competitive in price. And performance.

Take the new NEC 16-bit Advanced Personal Computer (APC), for example: it can store more information and operate faster and easier than any system in its price range.

The APC and its NEC 3530 Spinwriter has so many unique features - in fact, there are too many to list here.

But on the corner of this page, a small snippet could mean a giant leap for your business.

And a little more time for your family.

Cut out the middle man. Go straight to the top.

Take the new NEC 16-bit Advanced Personal Computer (APC), for example: it can store more information and operate faster and easier than any system in its price range.

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- Mr. NEC Business Systems (Europe) Ltd., Corporate Division, 88-90, Drummond St., London NW1 1TP

NEC Corporation

Barclaycard fights £8m credit fraud

By Bill Johnstone, Electronics Correspondent

Barclaycard has installed in selected retail outlets about 600 electronic devices which validate credit cards, as part of a campaign against fraud, which costs the company £8m a year.

The machines read the coded information on the card and transmit it to computers, which instruct the retailer whether the card is fraudulent, has the correct limit and is valid.

Other anti-fraud measures include a poster campaign alerting people to the dangers of credit card theft and loss.

Credit card fraud, which was growing at about 6 per cent a year has been reduced eightfold in 12 months. Losses are small in relation to the size of the Barclaycard turnover, which has risen to £2,500m a year. There are seven million card carriers in Britain.

London to Brighton in 3½ minutes

By Kenneth Gosling

On paper it should have been the most straightforward project which could have been advised by the combined knowledge of the BBC and British Rail, Southern Region.

To mark the half century of the electrification of the London to Brighton line it was decided to clip half a minute from the journey time of four minutes portrayed in the famous 1953 production by the BBC Film Unit, first shown on children's television and used many times afterwards as "filler" material.

The original speeded-up film, showing the 51 miles being covered at 765 mph, so impressed the public that people flooded British Rail with calls asking to go on this four-minute trip.

It took three runs to complete the film, using a hand-cranked camera and 35mm film.

Last month, again using 35mm film but this time in colour, the historic trip was recreated. The headcode panel

was removed from the cab window and a camera installed behind a sheet of glass.

The first problem came at Balcombe tunnel, according to Mr Nigel Hanch, a BBC producer. It had rained for months and at the end of the tunnel they had to stop to wipe the window clear of water.

That was followed by a signal failure and a man with a red flag stood by beside the line to explain the problem. It was back, slowly, to Gatwick, to take the stretch again.

The result will be shown at 6.55pm tomorrow on BBC 1. But perhaps more excitingly for Southern Region, there will be a crash at the actual London to Brighton record on Saturday.

The steam record is 48 minutes; the Brighton Belle did it in 55 and British Rail hopes to do it in 45 using a train carrying under-privileged youngsters sponsored by the Variety Club.

However, as one railway

enthusiast pointed out yesterday, it still takes a couple of minutes longer to do the scheduled run than it did in 1953, and it will be a couple of years yet before the time is reduced to 50 minutes or better.

For anyone who would rather go to Brighton to see the film than stay at home and watch it on television, Southern Region has an exhibition at the rear of which the film forms a part.

For the record, the journey speed over three and a half minutes is 900mph.

Gift for opera

The English National Opera has received £250,000 from the National Westminster Bank for new productions of Wagner's *Ring Cycle* and *The Mastersingers of Nuremberg*, the largest single sponsorship it has received. *The Valkyrie* opens on October 22. *The Mastersingers* opens next February.

PARLIAMENT JULY 13 1983

Brittan favours death penalty for terrorists

LAW AND ORDER

Mr Leon Brittan, the Home Secretary, speaking in the Commons debate on restoration of death penalty, said he would vote for the restoration of capital punishment for terrorist murders, and only for such murders.

Against a background of increasingly frequent interruptions, he said that those who took this view were not thirsting for revenge but regarded it as the duty of the state to signal its total and absolute rejection of the use of capital punishment for crimes that undermined its very foundations.

There could be no clearer or more decisive demonstration of that rejection, he said, than to reserve the ultimate penalty, capital punishment, for those who committed such crimes.

The House had before it the main motion: "That this House favours the restoration of the death penalty for murder." Also before it were amendments proposing the death penalty for terrorism; murder of a police officer; murder of a prison officer; murder by shooting or causing an explosion; and murder in the course of furtherance of theft.

Sir Edward Gardner (Fylde, C) moving the main motion, said: "This House favours the restoration of the death penalty for murder." He said that it might very well be the last chance the Commons would have to decide whether capital punishment should be reintroduced for murder.

There was intense public interest and concern on the issue. It was important because it appeared to have divided opinion dramatically and that was a division which was disturbing because it was not difficult to see serious and respectable arguments on both sides.

It was important to those who believed as he hoped all in the House believed - that it was the inalienable duty of the state to protect its citizens in the most effective way available to the state from unlawful violence and death by murder.

Some said there was no evidence for the deterrent effect of capital punishment reducing the number of murders committed, but the Royal Commission on Capital Punishment in 1953 had concluded that there was some evidence that the deterrent effect of capital punishment was stronger than that of any other punishments available for murder.

The commission had said there was no statistical evidence, but how could there be? He was not relying on statistics, but on something they all understood - the fear of death. That was a fear which was a powerful influence on all normal human beings, and which could make all normal human beings behave in a way to take account of that fear.

As Dr Samuel Johnson had nearly said: "Nothing concentrates the mind so much as imminent fear of execution."

Nothing was more likely to make a criminal pause before he went out with a gun than the knowledge that the killed man's gun he could face the death penalty.

The royal commission had forecast that if capital punishment were abolished, there would be an increase in the number of homicides and violent crimes. They all knew to their cost that the commission was right, but it went on to say that the increase would only last a short time. That had proved wholly wrong.

The number of homicides had gone up nearly double since capital punishment was abolished and the number of crimes involving the use of firearms had spiralled horrendously. From 1971 to 1981 offences involving the use of firearms had risen from 1,700 to just over 8,000.

He did not point out, that the deterrent effect varied according to the kind of crime, but he had had an unwavering belief that the death penalty was one of the considerations which any ordinary criminal would inevitably have to take into account, and which would undoubtedly affect his behaviour.

Of all the categories of crime to which the death penalty would apply, that which would respond most sensitively to the death penalty, he submitted, was one involving the use of firearms. (Some Conservative cheers.)

Before abolition of the death penalty, it had been comparatively rare for a criminal going out armed, but afterwards, it had become a commonplace crime.

The inevitable result had been that instead of having, as Britain did before the death penalty was abolished, something it could boast about, an unarmed police force, Britain could no longer have a police force that carried a completely unarmed police force.

As Lord Devlin had written in an article in *The Times* today: "If the police, who are in the front line, hold strongly that the death penalty is a weapon they need, I think that it is difficult for society to deny it." (Conservative cheers.) He would go beyond that and say it was equally difficult for the Commons to deny it.

If there was no doubt, or if it was probable, that the prospect of the death penalty would frighten the criminal away from the use of guns and if the death penalty by its effect on the mind of the criminal was capable of putting an end to the reign of the gun and make it possible to relieve the police of the need to carry arms, then this was something that the House must consider with the utmost gravity and care.

The death penalty was not only a unique punishment. Undoubtedly it was brought back by a vote tonight, it would prove a unique punishment for society which the state in its duty to defend the citizen must be prepared to accept and in proper circumstances to use.

Mr Leon Brittan, the Home Secretary, said MPs who opposed restoration were often portrayed as

being "weak on crime", unconcerned by the rising tide of violence which in modern society put the most vulnerable sections of the community in fear. The MPs who favoured restoration were often classified or even vilified as being people who wished to take life and failed to regard it as the sacred thing men of every age and faith had accepted it to be.

Neither picture was accurate. Both debaters were accurate. No one should believe or allow it to be believed that restoring the death penalty, whether that in itself was justified or not, could have a decisive impact on the broader battle against crime.

However the House votes tonight (he said) it must and will be the Government's task to pursue that battle by every means in its power.

The question was: would capital punishment actually protect society with a protection not afforded by other forms of punishment, should surely be the paramount consideration, although he appreciated that there were those who were much influenced by the fact that capital punishment would have in the general tone of life in Britain, particularly as it was reflected in the media.

In the last analysis, there would be no doubt that if capital punishment seriously was an effective deterrent, it would be their painful duty to restore it, however unattractive some of the consequences would undoubtedly be.

Those who argued for restoring the death penalty rightly pointed to the sharp rise in homicides since 1969. Between the end of the war and 1960 the number of homicides had shown a generally downward trend. In 1960 the offences recorded as homicide in England and Wales totalled 282. In 1965, the year capital punishment was abolished, the total was 325; in 1970, 396; in 1980, 621; in 1982, 619.

There were, nevertheless, forceful arguments against accepting the rise in homicides since abolition as retrospective proof of capital punishment's deterrent effect.

Those who called for restoration must recognize that murder was only the most prominent tip of a massive iceberg of tension, violence and unrest in modern society whose causes were only imperfectly grasped. Most murders, he said, at least to a limited degree, were the result of a breakdown in social order.

Each MP would, of course, balance the various factors in his own mind, but they would be voting against the general proposition that capital punishment should be reintroduced for all murders.

Three of the categories of murder for which capital punishment was proposed were essentially the same as the distinctions drawn in the 1957 Homicide Act.

Although attempts could be made to single out from other crime murders which were particularly prevalent, he would not have been deterred by the death penalty, the problem remained that any such differentiation when it was put into practice was likely to lead fairly quickly to growing feelings of injustice.

There would soon be cases outside whatever criteria chosen which would be felt to be more grave than those which fell within them. Public outrage was, no less great in what was known as the "knives rather than firearms" cases; in cases of child murder by strangulation rather than murder by shooting; in cases of appalling ferocity rather than cold calculation.

Would distinction be made on the basis of the assumed prospect of deterrence prove more acceptable to the public now than they did in the past?

Of all the amendments, by far the most vulnerable was that proposed by the Conservative MP, Mr Hattersley, which would restore the death penalty for murder in the course of furtherance of theft. Experience of hundreds of cases which had come before the courts since then did so, too. Applications of the death penalty could depend on the slenderest evidence as to when, how and whether a theft, possibly even a minor one, had taken place.

For just that reason it could be argued that the deterrent effect of this provision would be great. The rise in the number of robberies and burglaries, and the fact that the death penalty was not being used, was disturbing, but it was certain that no category of capital offence would cause more public debate and questioning than the details of individual cases were publicised as they occurred.

He respected the argument about the special position of the police, but it was not one which the Police Federation in their letter had chosen to raise. They were right, in individual cases of murder, where the victim was trying to prevent the commission of a crime, the public's sympathy was wide and comprehensive.

It did not extend just to the police, but to the security guard, the bank clerk, or the bystander who had been shot. There was a considerable risk that singling out a particular category of victim would be in practice, as opposed to theory, over a period of time prove difficult to sustain.

It would not be widely understood when the murderer of a police officer was hanged and the murderer of an ordinary citizen who was being shot. There was a considerable risk that singling out a particular category of victim would be in practice, as opposed to theory, over a period of time prove difficult to sustain.

Since 1965, 16 adults had been convicted of the murder of police officers. Most had been subject to a recommendation by the trial judge that they should serve a minimum sentence. That recommendation had ranged from 15 to 30 years. None of those 16 prisoners had been released.

That should be a clear indication of the Government's attitude towards murderers of police officers. He would ensure that in cases where no minimum recommendation had been made they were treated in substantially the same way as those where it had been. The expectation must be that all such murderers served at least 20 years and some might never be released.

The next category of murder to be considered was that of murder by shooting or causing an explosion. The number of serious firearms offences had increased sharply. Doubtless that was why this category of murder had been singled out. But it did not follow from that that balance of the deterrent argument was necessarily any different.

Moreover, from the point of view of the gravity of the offence it was difficult to see why a murderer with greater abhorrence than a poisoner

Finally he turned to amendment proposing the death penalty for murder resulting from acts of terrorism.

In current circumstances, there was no prospect of an early return to trial by jury in Northern Ireland. Nor would it be politically acceptable to have murder trials of Irish terrorists take place on this side of the Irish Sea. The object must be to give the fairest hearing to the accused.

It was certainly true that they would never desert the true fanatic and some would positively seek martyrdom. But not all terrorists were fanatics or prepared to die themselves by going on hunger strike.

We should never (he said), even unconsciously, accept the terrorist's vision of himself as an inflexible, high-minded freedom fighter uncompromised by the constraints of the law. That is not true of those who are bribed, bullied, or lured to commit murder. It may well not be true of those who are knowing and assisting parties to the deed, but not to denounce the bomb themselves.

It was not true in communities where the thing and criminal slipped into terrorism through the pursuit of gain. In such cases the deterrent argument was neither weaker nor stronger in relation to terrorist murders, than in the case of other murders.

I do not (he continued) seek to deny or minimize any of the risks. But there is always a risk in taking any effective action to curb terrorist violence. The terrorist is at war with us. He will take whatever action he can to defeat us. He is determined from doing what we think is right by those threats and that blackmail.

Those who favoured capital punishment for terrorist murders did not for the most part found their case on its deterrent effect. They did so because of a very fundamental belief about the nature of terrorism and the appropriate response to it. Acts of terrorism were crimes against civil society as a whole.

Its aim was to subvert the legitimate institutions of democratic government. It attempted to shake the will of the majority to uphold the integrity of the State. That was why many people would not require conclusive evidence of the deterrent effect of capital punishment to support its restoration for terrorist murder.

Those who take this view (he went on) are not thirsting for revenge, but they do regard it as the duty of the state to signal its total and absolute rejection of those who commit crimes that undermine its very foundations. There can be no clearer or more decisive demonstration of that rejection than to reserve the ultimate penalty, capital punishment, for those who commit such crimes.

For these reasons I shall be voting tonight for the restoration of capital punishment for terrorist murders, and only for such murders. (Interjections.)

If the House voted for the restoration of capital punishment for any category of offence, the Government would provide draft assistance for a private member's Bill to be debated.

The legal and practical problems that would have to be resolved were numerous and formidable, and there would be many further controversial decisions to be taken. If the House so wished, those problems could be resolved, and those decisions could be made. The first step was to take the central decisions of principle.

Mr Roy Hattersley, chief Opposition spokesman on home affairs (Birmingham, Sparkbrook, Lab), said he was wholly and irrevocably opposed to the reintroduction of capital punishment. To legislate for judicial execution of a man or woman held in the state's safe custody would be a regression to barbarism. Britain would become the only western democracy where the state possessed and exercised the right to kill as a judicial punishment.

Nothing (he said) said Labour cheers) can justify savagery of that sort. A regression to such a practice would be a regression to the literal sense of the word, dehumanize us all. There was a Conservative cry of "Never when Mr Hattersley added: My profound hope is that with our vote tonight we shall both reject capital punishment decisively and lay the whole subject to rest.

Mr Edward Heath (Old Benley and Sileby, C) said for more than 20 years he had been a vocal supporter of capital punishment in the case of all crimes of homicide and he always voted against it. He intended to do so tonight.

For nearly 20 years now capital punishment had been abolished in the United Kingdom. Sir Edward Gardner had not proven the case for changing the status quo. If some backbenchers would be prepared to support an Act - which was neither the judiciary - which was not a kind of murder was worthy of the death penalty and one was not.

If capital punishment was to be introduced for terrorism there was the problem of judges and juries deciding whether a person was a terrorist or not. Even more important, there was no hope of returning to jury verdicts in Northern Ireland.

Is the judiciary (he said) in favour of dealing with IRA terrorism with a judge and two assessors? I cannot say for one moment they will accept that.

They could not have a situation where terrorism was dealt with in Great Britain by the death penalty and not in Northern Ireland. How could they have a situation where an Arab terrorist who shot the Irish ambassador was dealt with in one way and a terrorist in Northern Ireland - in many ways the home of terrorism - in another?

West Germany and Italy had dealt with the problem of terrorism by the use of the death penalty and reducing the status of the terrorists so that they could not get public support.

We have to consider (he said) what changes there have been in the last 20 years. One is the immense growth of the media - TV, radio and the press - and the almost total reduction of privacy. The impact of all this in raising public feeling in cases of execution will be many

times greater than it ever was in the days before abolition.

Having listened to such debates for 30 years, he felt that the constant emphasis on capital punishment was preventing them giving attention and resources to the problem of crime. (Cheers.)

He hoped that Sir Edward Gardner was right in believing that this would be the last opportunity to vote on the issue.

This was an occasion above all (he said) where we have to use our own judgment.

Conservative MPs were. Mr Heath: I hope that every MP will use his own judgment. I do not believe that the case, as it has proved, and I urge the House to reject the motion and all the amendments.

Mr Roy Jenkins (Glasgow, Hillhead, SDP) said that the Home Secretary's speech had left him bewildered. He had coolly and rationally argued the case for capital punishment on all the amendments except one on terrorism.

They must have a clear view from the Home Secretary on whether he would use the death penalty both in Northern Ireland and Great Britain and whether therefore abolish the Diplock court which sit without juries.

Mr Brittan said he had made clear that he had not thought it responsible to distinguish between Great Britain and Northern Ireland. He fully recognized the difficulty about convictions by jury and in Northern Ireland had not anticipated that it would be restored. He had mentioned that one possibility for capital offences should not be conducted by a single judge but by a judge with assessors or by a panel of judges.

There was no way in which the amount of deterrence could be measured but he was convinced that the death penalty was a substantial deterrent. There were some killings that were so evil that he believed the only appropriate punishment was the exacting of the life of the person who took it.

He recognized the difficulties. The most difficult of all and placed a heavy burden on those who had to administer the law. He would be voting for all the amendments. It was not because he wanted to see the state should be equipped to protect its citizens from the risk of being murdered. His view was not concerned with a thirst for blood or revenge. The ultimate penalty was a deterrent.

There was no way in which the amount of deterrence could be measured but he was convinced that the death penalty was a substantial deterrent. There were some killings that were so evil that he believed the only appropriate punishment was the exacting of the life of the person who took it.

Mr Albert McQuarrie (Banff and Buchan, C) said the London and Birmingham bombings and other outrages were carried out by political fanatics, beasts who cared nothing for life or for the lives of the bereaved families who would spend the rest of their lives with their misery.

These terrorists knew there was no deterrent involving their own deaths. If Mr McQuarrie voted for restoration for such terrorist murders they would be virtually conceding victory to the terrorists.

When they killed police and servicemen, terrorists were using the death penalty to achieve their own ends. Only ten had been willing to die on hunger strikes because terrorists had realized that the Government was sticking to its policy and would not give way to their demands.

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Penrith by-election

Voters annoyed by need to rerun polling campaign

From Philip Webster, Political Reporter, Penrith

Voters in the present Parliament's first by-election, at Penrith and the Border, are irritated at having to return to the polls so soon after the general election.

On July 28, just 49 days after the general election, they will choose a successor to the former Mr William Whitelaw who was elevated to the peerage after Mrs Margaret Thatcher's Cabinet reshuffle. Westminster predictions before the June 9 poll that the former Home Secretary would soon be going to the Lords were noted locally and are now being recalled locally.

Although Mr David Maclean, aged 30, the new Conservative candidate, claims that the public understands the reasons why the Prime Minister did not ask Mr Whitelaw to become Leader of the Lords before the election, many electors interviewed by *The Times* have shown varying degrees of resentment and discontent with the complaint of the *Cumberland and Westmorland Herald* that the seat has been treated in a cavalier fashion.

The newspaper said in a leading article: "The treatment of the people of the constituency has been arrogant and contemptuous. We wasted our time voting in the general election and our money in organizing a faked contest."

There is no suggestion that the disenchantment is deep enough to pose a threat to Mr Maclean's prospect of succeeding Lord Whitelaw in England's largest constituency. However, his opponents are not unhappy that the timing and circumstances of the by-election have become an issue in the campaign.

Mr Michael Young, aged 38, the Alliance candidate, a defector from the Conservatives, said yesterday that there was a growing feeling that the constituency had been taken for granted to satisfy Mrs Thatcher's wish to reshuffle her team.

Mr Lindsay Williams, the Labour candidate, said that the people felt let down. Many Conservatives, he predicted, would not turn out but others would register their disgust by voting elsewhere.

Mr Maclean, the son of a

Scottish farmer who increased the Conservative vote in the Liberal seat of Inverness Na h-Eileanan Siar on June 9, said that Mrs Thatcher had followed the "correct sequence" by waiting till after the election. To have done it earlier would have been unethical, presumptuous and arrogant.

With the campaign three days old, Mr Young, the director of a construction company, is continuing to anger the Conservative camp with his claim to be the true heir to the Whitelaw mantle. He worked in the Conservative research department in the 1970s and was a personal adviser to Lord Carrington and Mr Edward Heath.

Mr Young was on the liberal wing of the party which Lord Whitelaw is seen as representing. "I am cast politically much more in the mould of Lord

Whitelaw than this gentleman from Scotland who is very much on the right of the Conservative Party," he said.

Mr Maclean, who was born on the Black Isle, near Inverness, only a few miles from Lord Whitelaw's birthplace, describes the claim as nonsense and says that he believes in the same policies and principles as his predecessor.

Despite Labour protests, the contest looks a two-horse race between Mr Maclean and Mr Young. The Liberals do not yet talk of winning but of eating deep into the Conservative majority.

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Scottish farmer who increased the Conservative vote in the Liberal seat of Inverness Na h-Eileanan Siar on June 9, said that Mrs Thatcher had followed the "correct sequence" by waiting till after the election. To have done it earlier would have been unethical, presumptuous and arrogant.

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US deficit and trade war black spots on Howe's agenda for Washington

From Nicholas Ashford, Washington

Sir Geoffrey Howe, the Foreign Secretary, arrived here yesterday for wide-ranging talks on trade, economics and international issues with President Reagan and senior members of his Administration.

Although Sir Geoffrey visited Washington many times in his former capacity as Chancellor of the Exchequer this is his first trip to the United States as Foreign Secretary. It is also the highest level visit by a British minister to Washington since Mrs Margaret Thatcher's election victory last month.

In addition to meeting President Reagan, Sir Geoffrey will have talks with Vice-President George Bush, Mr George Shultz, the Secretary of State, Mr Casper Weinberger, the Defence Secretary, Mr Donald Regan, the Treasury Secretary, Mr Paul Volker, chairman of the Federal Reserve Board, and members of the Senate foreign relations and House foreign affairs committees.

British officials said his talks would cover three main areas - the world at large, including East-West relations, arms control, Nato and regional issues such as Afghanistan, Poland, the Middle East and Central America; the world economic situation, particularly the United States' role in the economic recovery and the international debt crisis; and bilateral issues, notably trade,

the controversial Export Administration Act, steel imports and the dispute over transatlantic air traffic arising from the collapse of Laker Airways.

Although Sir Geoffrey's talks were expected to be cordial, with broad agreement expected on most issues, British sources said he would express concern over what the British Government regards as protectionist moves by the United States.

Britain has already voiced strong reservations, both independently and in partnership with its European partners, over moves to tighten up the Export Administration Act. It was under this Act that United States imposed its embargo last year on British and other foreign subsidiaries of United States firms supplying equipment for the Soviet gas pipeline.

Sir Geoffrey has also criticized the Reagan Administration's decision to impose tariffs and quotas on specialty steel imports.

In his talks with Mr Regan and Mr Volker, Sir Geoffrey will emphasize British concern, which is widely shared in Europe, about the size of the United States budget deficit, high United States interest rates and the inflated value of the dollar against other leading currencies.

At last month's economic summit in Williamsburg, Britain joined other participants in

urging the United States to reduce its budget deficit in order to take pressure off interest rates.

The British Government believes that continued high interest rates will not only impede the world economic recovery but could also add to the problems of countries like Mexico, Brazil and Venezuela which have huge debts with Western banks.

Sir Geoffrey will reaffirm Britain's determination to go ahead with the deployment of cruise missiles at the end of this year as part of a Nato decision to deploy 572 Pershing 2 and ground-launched cruise missiles in Europe.

Britain has refused to accept the Soviet Union's contention that its Polaris missile force be included in the US-Soviet negotiations in Geneva on reducing medium-range missiles in Europe.

● **Arms denial:** Sir Geoffrey is expected to repeat British backing for American policy in Central America, a policy laid out by Mr Reagan on April 27 that includes military aid to support democracy in the region (Henry Stanhope writes).

Whitehall sources last night emphatically denied a report, quoting a spokesman of the Nicaraguan Democratic Forces (FDN), that Britain might be about to supply arms to El Salvador.



Knesset debate: Mr Moshe Arens, the Israeli Defence Minister (left), and Mr Manachem Begin, the Prime Minister, during a debate on events in Hebron. Mr Arens pledged Israel would build up the Jewish community there.

Russia backs PLO militants

From Our Own Correspondent, Moscow

As doubts gather over the timing and purpose of the mooted visit to Moscow by Mr Yasser Arafat, the chairman of the Palestine Liberation Organization, the Russians have been cementing their links with one of the hard-line groups in the PLO in a week of top level talks that were not announced until they had ended.

Pravda said on Tuesday that Mr Naif Hawatmeh, leader of the militant Democratic Front for the Liberation of Palestine, spent a week in Moscow until

Monday at the head of a delegation that had talks in the Foreign Ministry and with senior party officials as well as with the Afro-Asian Solidarity Committee.

The Russians briefed the delegation on their support for the Palestinian cause, and are assumed to have made their stand clear on the rebellion against Mr Arafat's leadership.

Meanwhile, Mr Faruk Kaddumi, head of the PLO's political wing, met Mr Andrei Gromyko, the Soviet Foreign

Minister, in Moscow yesterday on a mission originally intended to prepare the ground for a visit by Mr Arafat. However Mr Arafat's announcement on Tuesday that he had no immediate plans to go to Moscow has reduced the impact of Mr Kaddumi's visit.

The Russians have kept a careful silence on the bitter row between Mr Arafat, whom they have consistently supported, and Syria, their principal Arab ally.

Tass steps down in clash with Marchais

Moscow (AFP) - An incident on Tuesday when M Georges Marchais, the secretary-general of the French Communist Party, tangled with Tass was the fault of the Soviet side, it was admitted informally here yesterday.

The Soviet press predictably kept quiet but officials said informally that they could understand M Marchais's annoyance at statements "attributed to him by an over-zealous interpreter".

The statement said that M Marchais felt "the main danger (in the present international situation) is from the intention of the American imperialists to deploy their new missiles in Europe".

M Marchais immediately dissociated himself from the statement, saying that he advocated "balanced reduction in weapons, taking into account all those already deployed by East and West". Tass withdrew the report.

● **PARIS:** In an unusual step, L'Humanité, the French Communist Party newspaper, referred to the cancelled Tass report in a front-page article yesterday (Diana Geddes writes).

A few days before leaving for Moscow, M Marchais had lunch with President Mitterrand to discuss his visit. M Charles Fierman, the senior Communist minister in the Government, was also at the lunch.

Baby elephant blows its own trumpet

Moscow (Reuters) - A local radio station has broadcast an "interview" with a baby elephant at a zoo in the Soviet Central Asian republic of Kazakhstan, Tass reported.

The elephant, named Batir, spoke nearly 20 phrases into tape recorders for zoologists, who were checking a claim by the watchman at the zoo that Batir talked during the night saying: "Batir is good. Batir is a fine fellow."

Colorado's trail of havoc

Wild West river on the rampage

From Trevor Fishlock, New York

The awesome Colorado river is roaring down the canyons in its wildest rampage for 50 years. The bill for wrecked houses, compensation and shelter for people made homeless by floods is running into millions of dollars.

Many of the hundreds of people whose homes, businesses and livelihoods have been washed out are angrily blaming government river control authorities for blundering.

The authorities admit they were caught out by exceptionally heavy rain and an unexpected late snowfall in the Rockies followed by a heatwave. Nevertheless many riverbank residents had either grown complacent about living alongside such a wild river, or taken a chance, and lost.

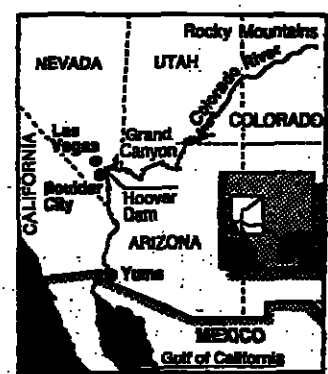
The Colorado runs for 1,450 miles to the Gulf of California and has carved the Grand Canyon and other magnificent fissures. It waters seven states and part of Mexico, and its dams, aqueducts and reservoirs have created rich communities in once barren parts of California and Arizona.

The 726 foot Hoover Dam, near Las Vegas, is the greatest of the eight along the Colorado and is one of the world's largest suppliers of hydroelectric power. It has also helped to control flooding.

This year, however, the Colorado has proved that it is not completely tamed. The extraordinary combination of very heavy rain, snowfall three times heavier than normal and the onset of hot weather made nonsense of the estimates of the Bureau of Reclamation, the river management authority.

With reservoirs brimming, threatening large-scale floods, engineers have had to relieve pressure by increasing outflow from the dams, leading to flooding of more manageable proportions.

The engineers say that they have to release enough water



for the reservoirs to cope with the next snow melt.

Hundreds of people have been evacuated and many of them are furious, saying the river managers should have released water sooner. The Government has opened disaster compensation offices and more than 600 people have lodged claims.

Five Mexicans have been killed in the flooding, and an American died when a raft capsized in the Grand Canyon.

Some resort towns in the lower reaches of the river, from Hoover Dam to Yuma, close to the Mexican border, are suffering because of a ban on tourist boating and because visitors are staying away. But Boulder City booms as visitors flock to see water flowing over the Hoover Dam spillway for the first time in 42 years.

Many of those affected by flooding are among the 2,000 or so people who have accepted the risk of living in the flood plain because it is relatively cheap to do so and because the winter climate is agreeable. Some are retired people, living in caravans, who would find it too expensive to move and who cannot afford flood insurance.

The Colorado is still running high, and will do so for several months. Engineers say it has stabilized but there is concern that seeping floodwater poses a long-term threat to farming in parts of California, Arizona and Mexico.

Girl shot dead during Santiago curfew

Santiago (AFP) - A Chilean girl, aged 19, was shot dead near Santiago and a boy of 17 was shot in the back during a curfew ordered by President Augusto Pinochet's regime to quash a "third day of national protest".

Police identified the girl as Isabel Sanhueza Palecio, a student. She was shot in the neck, on Tuesday, but the exact circumstances of her death were not immediately clear.

The other victim Alberto Pino Quezada, was shot in the back from a passing car in a suburb of Santiago, police said. While troops yesterday patrolled the capital to enforce the 8pm curfew, a deafening din broke out as thousands of people banged pots and pans and sounded car horns to express anger at their country's economic straits, social problems and the military government's failure to draw up a definite plan for a return to democracy.

In two earlier days of protest, in May and June, six people died and some 2,000 were arrested in the most violent protests since the regime seized power a decade ago.

As electricity cuts plunged several neighbourhoods of the capital into darkness, including the central Bernardo O'Higgins Avenue, people built barricades and burnt tyres.

The banging and shouting

came as loudly from the elegant suburbs of Providencia, Vitacura and Reina as from the working-class districts of Pudahuel, Conchalí and Cisterna. Around midnight, numerous shots were heard around the capital.

The noisy protest was echoed in Concepcion, a city of some 1.5 million people, 350 miles from here, and also under military curfew.

Earlier in the day, three bombs had exploded on the railway line between Santiago and Valparaiso, interrupting traffic.

Hundreds of students demonstrated at the law faculty of the University of Chile and at the Catholic University.

Police also failed to stop angry demonstrations at the Santiago law courts, where lawyers for the arrested Christian Democratic Party leader, Señor Gabriel Valdés, and two of his colleagues, filed habeas corpus writs.

● **ROME:** The Pope called yesterday for dialogue between the Government and protesters and urged demonstrators to avoid violence, "even in the attempt to reach goals of legitimate aspirations". He also endorsed the Chilean bishops' conference appraisal of the situation as "grave".

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South African policeman suspended after killing of black held in custody

General Johann Coetzee, the South African Commissioner of Police, announced yesterday that an unnamed white policeman has been suspended from duty in connection with the shooting of a young black man in a Soweto police station on July 5.

General Coetzee said that the suspension would remain in force at least until the investigation into the incident being carried out by the police department had been completed. Certain statements and the results of scientific tests were still outstanding.

Mr Paris Malatji, aged 24, died in the Protea police station. So far the police have admitted only that the cause of death was a bullet wound, and that it was inflicted shortly after Mr Malatji had been detained for questioning. They have not said what offence, if any, the dead man was suspected of.

A post mortem was carried out on July 7, and Mrs Pearl Legodi, the dead man's aunt, was present for the purposes of identifying the body. She was also told the results of the medical examination. The

police have so far refused to comment on the post mortem findings.

According to Mrs Legodi, Mr Malatji had a bullet wound in the middle of the forehead just above the nose. She said that the bullet appeared to have been fired at point blank range as there were burn marks visible on the skin. There were no signs of any other injuries.

So far the incident, which on the face of it appears to be one of the most horrific in the long catalogue of dark deeds in South Africa's police stations and prisons, has received remarkably little comment in the South African press. Not a single paper has yet reported the post mortem results.

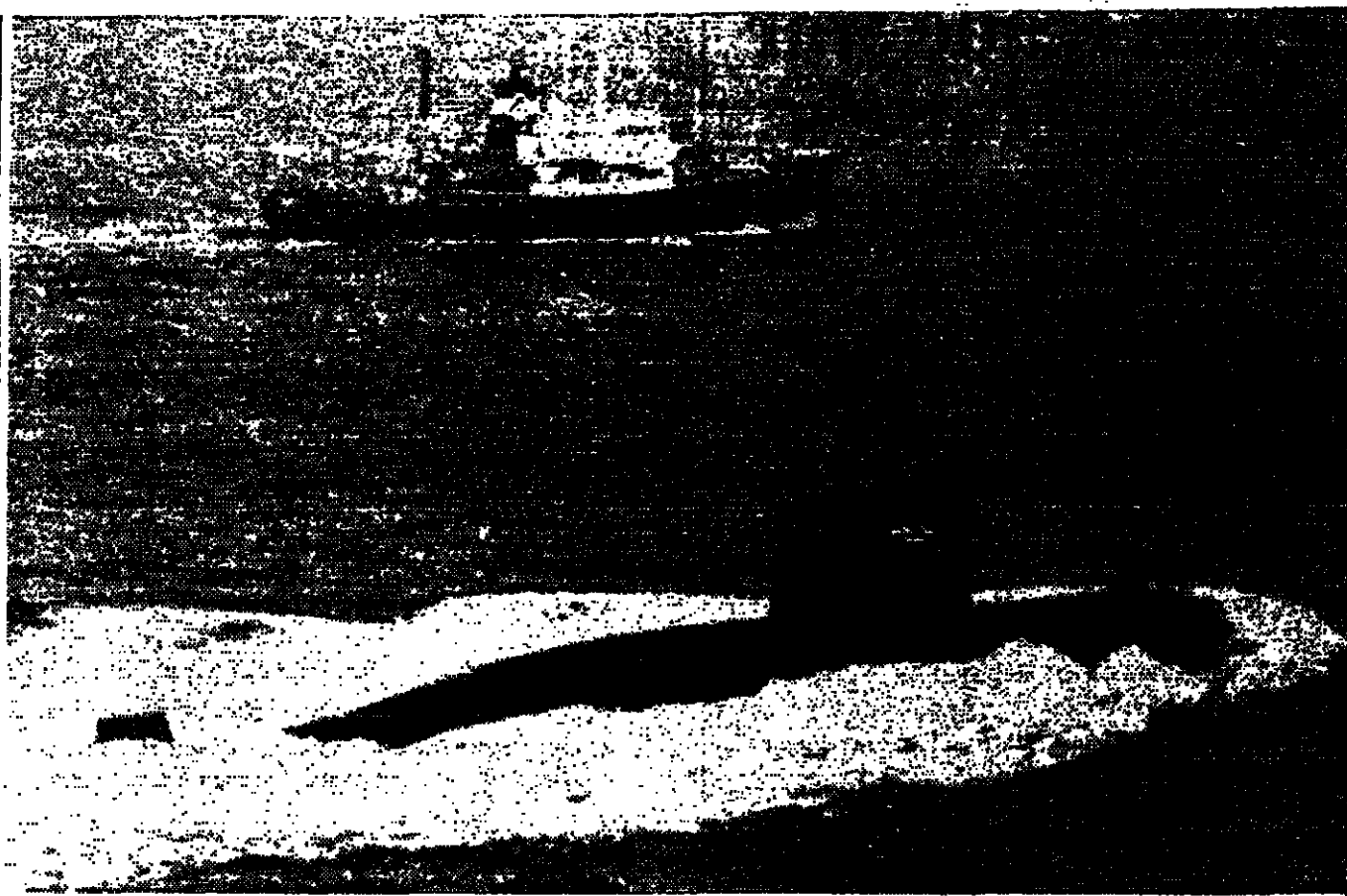
South Africa has scrapped the last vestiges of statutory racially-based job reservation whereby certain jobs could be reserved exclusively for whites under the Labour Relations Act.

The Government's action puts an end to "Determination 27" which had hitherto reserved a small number of specialist jobs in the mines for whites - surveyors, samplers and ventilation officials. Now blacks can

also apply for these jobs. Although of some symbolic significance, the Government's move still leaves intact a formidable barrier to black advancement in the Mines and Works Act which dates back to the early years of this century and prohibits blacks, solely on the basis of their colour, from obtaining blasting certificates showing they are competent to handle dynamite.

This means that the more than 300,000 blacks who work on South Africa's gold, coal, copper and platinum mines are prevented from becoming fully-fledged miners, though there is no doubt that many are as competent as their white supervisors. This is technically not called job reservation, but its effect is the same.

The Government is in favour of the abolition of this barrier to black job advancement, but is not prepared to force the issue against the wishes of the very conservative white Miners' Union, which claims that the Government is less interested in removing the colour bar than in employing cheaper black labour.



Testing time: The submarine Santa Cruz, built by West Germany for Argentina, leaving Emden for sea trials. The 1,700-ton boat, first of a new class, has six torpedo tubes and a 25-knot top speed.

Welshman accused of subversion in Malta

Valletta - Mr Anthony Price, aged 20, from Merthyr Tydfil, Mid Glamorgan, was charged in court yesterday with conspiring to overthrow the government of Malta (our Correspondent writes).

The charge alleged that he had taken part in a conspiracy to subvert the government of Malta by taking up arms to compel it "to change its measures and councils".

Mr Price, who was prevented from leaving Malta by the police, was rearrested yesterday evening. He had previously been detained for 67 days, being released by court order on June 20.

Murder inquiry

Mr Richard Cottrell, Conservative MEP for Bristol and North Wiltshire was appointed yesterday by the European Parliament's petitions committee to investigate the murder of Miss Ann Chapman, a journalist, in Greece in 1971.

Basque deaths

Bilbao (Reuters) - Two gunmen believed to be Basque separatists shot dead a policeman north of Bilbao yesterday. In San Sebastian a suspected Basque guerrilla was killed by a bomb he was apparently carrying.

Dissident jailed

Moscow (AFP) - Mr Vasilii Barat, aged 37, leader of the committee for the right to emigrate, had been sentenced to five years in a labour camp for "agitation" and "anti-Soviet propaganda", *Trud* newspaper reported.

Missile mission

Tokyo (AFP) - Mr Shozo Kadota, a Japanese Foreign Ministry official has left for Moscow talks expected to deal with medium-range nuclear missiles which the Kremlin says may be switched to Asia, with four Soviet-occupied islands claimed by Japan (Leading article, page 13).

Royal check-up

Bahrain (Reuters) - Crown Prince Abdullah Ibn Abdulaziz of Saudi Arabia left Taif for a medical check-up in Geneva. Prince Abdullah, aged 59, is Deputy Prime Minister and commander of the 30,000-strong National Guard.

Man in the news

Cossiga on the switchback

From Peter Nichols, Rome



Signor Cossiga: Returning from political oblivion

It was not at all out of character for Signor Francesco Cossiga to have been elected Presiding Officer of the Senate, and so the country's second most important public figure after the head of state, an hour after he had taken his seat in the Senate for the first time.

He is a man of unusual qualities, with long experience in parliament, but his career has been marked uniquely by success and disaster.

He is best known for his tenure of the Ministry of the Interior in the days when terrorism was at its height and seemed invincible. He was to become the Prime Minister who, with courage and parliamentary skill, won approval for the stationing of cruise missiles in Italy.

Yet both these ministerial experiences ended dramatically, with terrorism responsible in both cases for his disfigurement.

He was Minister of the Interior when his close friend,

Signor Aldo Moro, the former Prime Minister who first appointed him to the post, was captured by the Red Brigades in what is still Italy's most important act of terrorism.

Signor Cossiga's police failed to find the Christian Democratic leader. On May 10, 1978, he resigned. The

body of Signor Moro had been found the previous day in the back of a car in the centre of Rome.

Signor Cossiga is a sensitive man with a strong conscience and sense of duty. He seemed to be at the end of his career if only because he himself might have been able to overcome the tremendous shock.

Then in August, 1979, President Pertini plucked him out of the shadows and made him Prime Minister. His policies won him the outright opposition of the Communists. Allegations were made that he had given a friendly warning to a Christian Democratic colleague about the impending arrest of his son, a terrorist.

A Parliamentary commission absolved him, but once again, the effect on him seemed likely to end his capacity to continue in the forefront of politics.

Now suddenly, and typically, he has been elected with more votes than any of his predecessors.

Yellow river valley faces flood crisis

Peking (Reuters) - Torrential rain which has swollen the Yangtze River to bursting point and claimed at least 90 lives is spreading north to threaten the Yellow River valley, reports from the area said yesterday.

Officials in the main Yangtze danger areas between Jianli, in Hubei province, and Jiujiang, in Jiangxi, said that the creaking system of dykes containing the treacherous river was still holding.

But in northern Qinghai province, the authorities at China's second biggest hydroelectric dam project near the headwaters of the Yellow River said that emergency work was in progress to stave off an expected flood as the rain feeds the waters upstream.

Construction workers were making strenuous efforts to fortify the structure of the Longyang Gorge dam.

In Anhui province, which has reported 90 dead so far, a flood control official said that the danger was not over yet.

In Wuhan, the capital of Hubei, the river was said to be already well over its level July, 1951, when it ruptured its dykes and burst on to low-lying land.

Bonn cracks down on protesters

From Michael Binyon, Bonn

The West German Cabinet yesterday unanimously approved a controversial law making it an offence to take part in a demonstration that the police have declared to be violent.

Under the law, which is to be sent to committee stage and introduced as soon as possible, anyone who does not leave a rally after being ordered to do so by the police can now face up to one year's imprisonment, even if not personally engaged in violence.

The law, which was introduced by Herr Friedrich Zimmermann, the right-wing Minister of the Interior, has been bitterly attacked by the Social Democratic opposition and the Greens, who see it as a threat to the constitutional right to demonstrate.

The police have also expressed doubts on the need for the change, saying rioters can be adequately dealt with under existing laws. Last weekend a senior judge said it could not be right that to convict rioters the state made all demonstrators criminals.

The toughening up of the law has been a main plank of the Christian Social Union, of which Herr Zimmermann is a leading member, and was one of

Chad army retakes key town

Ndjamena (Reuters) - Another 300 Zairean soldiers arrived in Chad yesterday to boost President Hissene Habre's army which appears to have turned the tide in its war against advancing Libyan-backed rebels.

The number of Zairean troops is expected to rise to more than 2,000 in the next few days.

The Government announced it had recaptured the key eastern town of Abéché which fell to rebel troops last weekend. Foreign correspondents were taken to Abéché to see for themselves that rebel claims to be in control were false.

The claimed recapture of Abéché, a dusty town of 40,000 people near the Sudanese border, was described as an important turning point in the Government's efforts to beat back the rebel offensive.

PARIS: Mr Idriss Miskine, the Chad Foreign Minister, said yesterday the civil war was "a situation of unprecedented gravity" and pressed a new request for French troops to intervene.

He said French shipments of military aid to Chad had been insufficient to end the Goukouni offensive.

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For further information on the Government Grant Scheme, please apply direct to The Department of Industry, Charles House, 375 Kensington High Street, London W14 8QH.

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THE ARTS

Opera

Carreras's unmistakable power and artistry

Il trovatore
Covent Garden

The current *Trovatore* at Covent Garden, the last revival of the season, stands normal opera chronology on its head. Regular practice is for the theatre to assemble a glossy cast after a few pow-wows with a record company; the show goes on stage and then a year or so later comes the opera set, with perhaps a few judicious minor cast changes. At the ROH this time affairs are the other way round. The forces employed are an almost exact replica of those on the Philips *Trovatore*, but that was issued two years ago.

Even so the cast is virtually new as far as London is concerned. The only familiar face among the principals is Yuri Mazurok's Count di Luna, ever sturdy of tone but straying off pitch during "Il balen" and generally less ingratiating in the part than he was last time round. The successes came from the real newcomers, starting with José Carreras

singing his first Manrico on stage.

When Carreras took on Radames at Salzburg his detractors claimed in advance that he lacked the necessary stamina and he firmly showed them the gate on the opening night. There were similar mutterings about Manrico, but Carreras again quelled the unbelievers by straightforward power and artistry. "Ah, si, ben mio" found the voice a bit edgy and strained; but the last act, with the finishing line clearly in sight, released some magnificent sounds especially in the scenes with Azucena. Foreign opera houses scratching their heads in search of a Troubadour now know where to look, unless Carreras is putting a strict quota on the number of Manricos he sings which being a prudent man, he is likely to do.

Stefania Toczyńska in her Opera House debut makes a highly individual Azucena. A fetching silvery wig she looks more like Manrico's kid sister than his mother. Her mezzo has never the boom of an Obraztsova nor the cut of a Balza, but it has a secure warmth and Miss

Toczyńska has the sense not to demand too much of it even with the orchestra going full pelt. An admirable debut, and one which suggests she would be well worth hearing in the Rossini mezzo repertory.

Katia Ricciarelli's Leonora is familiar enough in Europe but this was another ROH first. She sounds in the process of putting the voice together again after taking a number of roles far too heavy for her and this Leonora was less assured than one heard in Munich a few years back: some ravishing notes, others awkward and strained. She, in common with other principals, arrived with a full wardrobe but had nothing to do with the shreds remaining of Visconti's production: a green and brown autumnal number, Cambridge blue for the wedding, midnight black for prison visiting. They dressed well in old Alfaterna.

Sir Colin Davis was in restrained mood, carefully working his Philips cast into the evening and saving his best for the Azucena/Manrico scenes, in which of course he had his two stars of the night.

John Higgins

Der Wilschütz
Royal College of Music

It was Lortzing's wish that his operas should give "a number of honest souls some agreeable hours"; and indeed no one could accuse him of over-reaching himself. The fluent melodies, robust orchestration

and easy, direct responses to the little intrigues of burgher and baron in *Der Wilschütz* certainly make few demands on the audience.

But the Royal College's production is a good warning that no one should underestimate the demands it makes on the director. The stock character reactions and attitudes within a totality

undramatic fusion of *singspiel* and *opera comica* can, after all, be alchemized into a tolerable piece of entertainment if they are handled with some degree of musical and dramatic style.

As it is, both the director, Christopher de Souza, and the designer, Ricardo Isotta, have a rather good line in cliché, as chorus and soloists line up with monotonous regularity and

ensembles freeze as each figure stands at a carefully measured distance from the next. If the singers still need to work as hard vocally as Tuesday night's cast clearly did, they might at least be helped to move and group themselves to maximum dramatic effect.

The cast is not without talent, though it becomes something of a test to spot it in these

circumstances. Bryn Secombe bumbles his way through his buffo bass part as the school-master-poacher perfectly adequately, rising to the vocal demands, at least, of his "3000-thaler" showpiece; Laura Rowley is a warm-hearted, sugary soprano, while the tenor John Graham-Hall gives the most stylish performance of the evening as Baron Krontal.

Antony Shelley, conducting, plays it all out front and shows, when Mr de Souza allows him to, some understanding of the requirements of young singers.

There are further performances, with cast changes, tonight on Friday and on Saturday afternoon.

Hilary Finch

Theatre

John Mills fast and decisive

Little Lies
Wyndham's

Ever since *The Drunkard* was reformed into *The Wayward Way* I have felt nervous about off-Broadway Victorians, and it is a relief to report that the only whimsical thing about Joseph George Caruso's adaptation of Pinero's *The Magistrate* is its title.

There are occasional tell-tale wisecracks and words like "drooling", and the serious matter of implicating the gentlemanly officers of the Mulberry Street Court in a protection racket, but on the whole there is no telling where Pinero comes to an end and Caruso takes off. It is some years since I saw *The Magistrate* and I cannot remember whether Pinero went on from stranding the downpour to bringing the whole balcony down in a thunderclap. But, if he did not, then he should have done.

Above all, Mr Caruso has resisted any temptation to sex the force up. The age-conscious Mrs Fosket is still passing off her grown-up son as a 15-year-old, but he never ventures beyond kissing his piano teacher, and otherwise devotes his hidden talents to fleeing the visitors at cards, and showing his old man a night on the town, where their greatest depravity is drinking champagne on unlicensed premises.

In one respect, though, Tony Tanner's production stands the original force on its head, this being in the treatment of Pinero's title character. Mr Fosket hunches through a hideous string of humiliations, from his night in the Hotel des Princes to his despatched arrival on the magistrate's bench next morning.

As traditionally played, he is a passive figure and a typical British loser. But not as played by John Mills, who may be putty in young C's hands but is in masterful control of the comedy. Even when wracked with indecision, or pulled around the stage under a precariously wobbling topper,

he is fast and decisive, converting willing embarrassment into actively inventive business.

Offstage for most of the hotel scene, he returns to take charge in the last act, undergoing an amazing transformation from rags to robes and authority and removing himself on the company while fighting a private battle with the spectacles he can only wear on the tip of his damaged nose. By the end, he has earned the compliment from one of the gentlemanly prisoners that he is a man as well as a magistrate.

Connie Booth partners him as a well-bred Henry James matron adrift in an alien madhouse. However, it is well stocked with thoroughbred grotesques like Paul Hardwicke's jubebe-sucking police chief and Malcolm Sinclair's military lover, first seen leaning on a cane and then collapsing in the opposite direction when it is removed. Joe Vasek's set features a false procenium in the shape of a genuine gilt picture frame.

He is expecting Mimi, whose services are a birthday present from a kindly friend; she has a computer date with a psychiatrist (Derek Fowlds) too aporophobic to go to restaurants. The connecting door is not locked, the brown room

seems clearly the green room's bedroom *en suite*, booked with evil intent; and so the fun begins.

I enjoyed it very much, though the script could do with more wit, cutting and polishing (the acting in Stephen Barry's production is polished already) and the climaxes are not ideally placed. Genre clichés are also much in evidence, especially the sex-nervous male, which is unfunny and covertly sexist.

But much can be forgiven for Mr Bannister's entrance disguised as a Sikh cleaner waving a vile-looking lavatory brush, or Mr Fowlds's valiant attempt to stun him with a champagne bottle while draining the dregs of same.

And there is Brian Murphy as Tony the Italian waiter, keeping dinnies and seductions running smoothly with an inexhaustible comic repertoire of expressive gestures that would do honour to Feydeau. As Bob's wife (Mary Maude) joins the merry-go-round, he directs the redoubled female traffic with a mixture of envy and utter disbelief.

Anthony Masters

Birthday Suite
Redgrave, Farnham

Disused doors in hotel bedrooms fascinate me. Sometimes they hide them behind wardrobes, but I am not fooled. Some skeleton-filled cupboard, a room mysteriously locked like Dirty Dick's, or a connexion with next door for some long-forgotten purpose?

For the first time, as far as I know, Robin Hawdon's comedy seizes on their farcical possibilities. As Bob (Trevor Bannister) sits in his hideously tasteful coffee-and-buff double-with-bath, Kate (Paula Wilcox) awaits dinner in its equally monstrous avocado-and-khaki replica next door, transformed to a *salon privé* by means of a bed that folds up into the wall and will fold several people up with it during the evening.

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Anthony Masters

Law Report July 14 1983

Minister cannot ignore objections

Regina v Secretary of State for the Environment and Cheeshire County Council, Ex parte Hulton District Council
Before Mr Justice Taylor
(Judgment delivered July 11)

Where a dispute between local authorities regarding the location of a proposed gypsy caravan site had been referred to the Secretary of State for the Environment under section 8(2) of the Caravan Sites Act 1968, the secretary of state was obliged to consider any objection to the proposal on its merits, and it was not open to him to decline to do so on the ground that the dispute was of a type with which he did not wish to be concerned.

Mr Justice Taylor so held in the Queen's Bench Division on July 6, when he dismissed the appeal of the Hulton District Council for judicial review of a decision of the secretary of state on December 6, 1982, who had directed Cheeshire County Council to proceed with the establishment of a proposed gypsy caravan site to which the district council had objected.

Section 8(3) of the Caravan Sites Act 1968 provides: "After considering any objection notified by a district council under section 8(2) the minister may, as appears to him proper, give directions to the council of the county - (a) to stand on the proposal; (b) to proceed with the proposal; or (c) to make an application for planning permission in respect of the proposed use of the land; and any application for planning permission made pursuant to such directions shall be deemed to be referred to the minister under section 35 of the Town and Country Planning Act 1971."

Mr Robert Carnwath for the district council; Mr Simon D. Brown for the secretary of state; Mr Anthony Porter for the county council.

MR JUSTICE TAYLOR said that Hulton District Council had given notice to the secretary of state under section 8(2) of the 1968 Act that it objected on several specified grounds to a proposal of the Cheeshire County Council to establish a permanent gypsy caravan site within the district council's area.

The secretary of state had directed the county council to proceed, under section 8(3)(b), without dealing with the merits of the objections which the district council had raised.

Joint Circular 28/77 disclosed that the secretary of state's policy regarding such objections was to interfere only if the objections raised more than purely local issues which would be of wider application.

It had been contended for the secretary of state that it was proper for him not to consider "local" objections on their merits at this stage as the only purpose of section 8 was to accelerate the procedure by which he could consider proposals which did raise wider issues; in this case it would still be possible for him to call in the proposal at the planning application stage if the objections warranted it.

His Lordship could not accept such a restricted construction of section 8. It applied only to proposals regarding gypsy sites, and Parliament, foreseeing likely conflicts, had provided that procedure for resolving them.

The secretary of state could not not follow his discretion with a policy which would render the existence of section 8(3) virtually unnecessary and frustrate the policy and objects of the Act. That was the principle laid down in *Padfield v Minister of Agriculture, Fisheries and Food* (1968) AC 997, and which in this case required him to deal with issues raised by a section 8(2) objection on their merits.

It appeared from the recital of facts in the decision letter that the merits of the district council's objections had not been considered in any detail if at all, and although he was not under any obligation to give reasons, if the secretary of state failed to give reasons in such circumstances, a court might be entitled to assume that his decision had been based on nothing but his declared blanket policy.

The application would succeed unless the secretary of state was found to have acted on the basis of his declared policy and to have failed to consider the merits of the objections on their merits.

Solicitors: Sherwood & Co for Mr M. F. McNaughton, Wilmslow; Treasury Solicitor; Sharpe, Pritchard & Co for Mr I. T. Kellen, Chester.

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Television

Political balance

If they have access to the channels on the other side, Lord Butler might have had a good chuckle last night when, in *Reputations* on BBC 2, Anthony Howard examined *The Uncrowned Prime Minister*. If he never became Prime Minister, he had, as Lord Home recalled, everything else. But at two crucial moments, in 1957 and 1963, Rab failed to push.

He could see both sides of every question, not an unknown political trait but in his case his balanced vision was apparent to public and party. The former liked him for it; some members of the latter thought it a suspect quality. In 1963, a rebellion of Conservative ministers "put the golden ball into his lap", in Mr Macleod's phrase. He watched it roll off Mr Enoch Powell, whose contributions were, as ever, incisive, considered the trouble with Rab was that he was "never ready to be shot through the heart". Presumably he also lacked that other political attribute of being ever-ready to shoot others.

Mr Julian Amery recalled that once, when drinking with Churchill, Rab had poured his brandy into his shoe rather than demur. Mr Amery thought this instance, of what some of us might have considered part of the charm of the man, somehow a significant indicator of his character. Possibly Mr Butler was an incorrigible wet, Lord Devlin said that, if he were put to write a political obituary of Rab, he would say that he had "lived by the necessary practices and perished by them". Brains and ability in politics are not enough nor even, one sometimes thinks, necessary. Lord Butler left politics for his beloved Cambridge and the Mastership of Trinity. He emerged from retirement to help the Lords defeat a proposal by Mrs Thatcher to charge rural schoolchildren bus fares. He could be dry on occasion. He remains, as he might have been amused to reflect last night, an enigma but, as was also apparent, well loved.

Dennis Hackett

Dance

Homage to Diaghilev
Coliseum

An injury compelled Rudolf Nureyev to drop *Le Spectre de la rose* from Tuesday night's programme at the Coliseum. He has been dancing with a bad foot, then hurt his thigh, and the combination of troubles became too much for him to tackle that ballet with its intense, sustained demands.

However, he did dance two of the most famous male roles from the Diaghilev repertory in spite of his injury, making a substantial triple bill together with the Ballet Théâtre Français production of *La Boutique fantasque*, and prompting the thought that perhaps the intended programme would have seemed over-generous, especially on so hot a night.

The title part in *Petrushka* does not call for any virtuosic steps, but it is quite demanding all the same, with its falls, its jumping about and never going anywhere at less than a shambling trot. Emotionally, it is even more exigent, and the BTF production by Serge Golovine enables Nureyev to draw on his feeling for the part to maximum effect. Adeline Charpentier is the pert little ballerina doll for this revival, with Aliocha Gorki a powerfully muscled, arrogantly stupid Blackmoor. Francoise Michaux as the more successful of the two street dancers also stands out among a lively cast.

John Percival

Concerts

City of London
Sinfonia/Hickox
St Bartholomew's

The air hung still and heavy around St Bartholomew's Great on Tuesday night; so did the music. There were two distinct sorts of languor in evidence: the pleasantly drowsy English pastoralia of Elgar and Vaughan Williams and the more acerbic but still rather distant ruminations of Alexander Goehr.

It was an ingenious idea to bring together for the first time the three pieces Goehr has based on a setting of Psalm 4. The Romanza is by far the most outgoing of the three, indeed the only one that does not seem completely wrapped up in itself. The Fugue for strings is a dour, almost dogged affair which did not in this performance achieve serenity; the original Psalm 4 setting for voices, cruelly demanding of its two female soloists, cannot quite sustain its hypnotic alternation of chorus, viola-and-organ interludes and solos. Its rhythmic profile is not strong, and it does not carry the confidence of, say, the Stravinsky Cantata.

Perhaps Goehr simply asks more of his listeners than I gave, requiring us to be content with his limited means and limited expressive ends; still, in the Romanza, where he allows himself to blossom with decorations and disruptions of the original choral lines (now transferred to solo violins and violas), he achieves a much more direct impact. Even in a performance by the City of London Sinfonia which was clearly far from ideal - though Malcolm Layfield led a confident solo quartet - the latent power of the original psalm suddenly seemed to be released.

There was a moment, a couple of minutes before the end, when the rich textures and even the harmonies of Goehr's string orchestra reached a *rapprochement* with the English school; but the moment passed. Among the English miniatures, Holst's Choral Hymns from the Rig Veda stood out as something ambitious and exotic. Until the cruel mishap of a broken harp string, which also broke the concentration, Thelma Holt and the women's voices of the BBC Singers gave a fine performance; Richard Hickox conducted it with a convincing sense of atmosphere which was lacking elsewhere in the evening.

Nicholas Kenyon

ISO/Kubelik
Barbican

Jan Kubelik, who died in 1940, used to be known as the Czech Paganini. That epithet gives some idea of the nature of his Sixth Violin Concerto, written in 1924, which his son Rafael conducted with the London Symphony Orchestra on Tuesday. It is diabolically difficult, although to judge from Yuzko Shikawa's astonishingly accurate and unfailingly beautiful playing you would not have guessed it. Ultimately, though, its contents are spread rather thinly over a needlessly vast canvas, and the form does not help to hold things together satisfactorily.

Yet the work does not entirely want for ideas or technique. The first movement has some skilfully orchestrated accompaniment, particularly from the wind section, and often the harmony is headily aromatic. And what could have been simplistically sentimental in the Andante is turned into something touchingly plaintive by its chromaticism, although things are rather spoilt by the unsophisticated rhythmic doggedness of the finale. Still, the concerto deserved an airing, and it offered a fascinating glimpse of Kubelik senior's own technical prowess.

Another novelty came in the form of the Tenth Symphony attributed to the late eighteenth-century Czech composer František Adam Mita. Mozart is known to have admired his work and this symphony shows why. There is a similarity between the two in the way that Mita exploits self-explanding ideas, and formal boundaries are not marked by overt interruptions to the music's flow.

Other qualities mark Mita's as an advanced musical mind - to name but two, the delightful second theme given to oboes in the first movement (modified for its return) and the final fugue which hints at a Beethovenian toughness, albeit in the early 1770s. Again the LSO responded vivaciously to Kubelik's direction, and the high horns were especially good in the Allegro.

The challenge of these works obviously stimulated the players for Dvorak's "New World" Symphony, for they gave no mechanical reproduction. Instead there was an intensity of concentration that lent the familiar a rare excitement. I hope they maintain it for the repeat performance tonight.

Stephen Pettitt

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Expert's fees allowed

James Longley & Co Ltd v South West Thames Regional Health Authority

Professional fees paid to a claims consultant for work done as an expert witness in the preparation of a building case for arbitration were correctly allowed in a taxation of costs.

Mr Justice Lloyd in the Queen's Bench Division on July 7, dismissed a summons to review a taxation by Master Devonshire following the settlement after only 16 days of a 16-week arbitration hearing between the appellants, James Longley & Co Ltd, and the respondents, South

West Thames Regional Health Authority.

HIS LORDSHIP said that the calling of unnecessary expert evidence had undoubtedly done much to lengthen trials. But in some cases, such as complex building disputes, expert evidence might have the opposite effect, because it tended to simplify the issues which the judge had to decide.

The fact that the arbitrator was himself an expert did not prevent him listening to expert evidence called by the parties. The reason for that, he could understand the evidence, not so he could do without it.

John Mills in 1980



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SPECTRUM

Stringfellow

Art is not the same as fashion or even the same as taste. All the same, the arts have been affected by changing vogues throughout their histories. Music as much as any art had been formed by fashion - and fortune. Some instruments were lucky: they fitted in with the development of European music, the violin supremely so. Other instruments have been less lucky. The guitar was always a popular instrument for light music, and the lute enjoyed a season of favour centuries ago before disappearing from view.

In this century these two have been reintroduced into the mainstream of musical life. That is the work of a very few musicians. First, as far as the guitar is concerned, is of course Andres Segovia, who will be 90 early next year. A fellow-Spaniard once said that an Englishman playing the guitar was a contradiction in terms. But Segovia himself would scarcely say that, having watched and encouraged one of the few musicians who can be spoken of in the same breath as himself, Julian Bream, one of the great guitarists and - although superlatives are idle in music - almost certainly the greatest lutenist now alive, a man who is English of the English.

Not English merely, but a Londoner through and through, although now transported to a remote patch of Wiltshire. If you didn't know Julian Bream you might easily think him a London taxi-driver or more likely a publican - no insult, this, to a man who is fond of a drink, though nowadays fine wine more than the beers whose brewing smell so often hang over his native Battersea. He was born there 50 years ago tomorrow, the son of a commercial artist. It was a mixed-up London family, Portuguese Jews by maternal descent. Julian's mother left home when he was 13; he left school the next year, and two years later his father died.

It was not a musical family exactly, but "my father had a gift; he played the piano by ear and he taught me the guitar to begin with". Bream senior wanted his son to do "something more sensible" than become a musician but the boy was precociously brilliant, winning a junior exhibition to the Royal College of Music when he was 12; the next year, 1946, he made his first professional appearance and the year after that he was heard for the first time by Segovia, the man who had brought the guitar out of the shadows as a serious instrument for classical music. Before Segovia, it had for ages been a popular instrument for parlour plucking and in the first quarter of the nineteenth century it enjoyed a great vogue through the connexion with romanticism and the pastoral.

"Schubert had a guitar - it's an amazing thing, but he didn't have a piano in the house - and I'm sure he worked out pieces on the guitar", Bream says. "But the trouble was the guitar was no more than that - something for frivolous family music-making." It was rather feeble in tone then, far to go until its apogee of development, with the result that it missed out when the greatest of all generations of composers might have written for it. "There were great players then in their way but the instrument didn't really have the potential composers needed."

Even in the middle of the twentieth century it was a problematic instrument for a young musician to make his career on. Bream's brilliance was recognized, but where was he to go? In the symphony orchestra - usual first home for most instrumentalists - there are no guitar desks. He still played the piano, and better than the guitar for some years. He also took up the cello; he never really mastered it but the bowed instrument gave him invaluable understanding of how to phrase on a plucked one.

An interlude in the army postponed awkward decisions when he left the



At home in his English country garden, with flowers, books, wine and music

The Times Profile: Julian Bream at 50

Royal College in 1952. He shocked the sergeants of the Pay Corps by turning up in his own little Austin 7 van: squaddies did not have cars then. Despite the frosty reception he signed on as a regular for three years as the only way of becoming a bandsman.

Although he had no affection for the army he had a fairly cushy time, playing electric guitar in the Royal Artillery's dance band (there was of course no place for him in an ordinary regimental band any more than there was in an orchestra) and moonlighting in London. He even played abroad for the first time, driving in his van to Switzerland - strictly against Queen's Regulations - to accompany the singer Frederick Fuller.

Fuller became a regular partner as Bream began his career in earnest. It was hard, but "I was very determined in those days and anyway, it's easier to live on nothing when you're young. I just had my little bedsit in South Ken."

For all that his instrument did not have a large and familiar repertoire, he was soon well known. To begin with he was so broke that he needed an old-fashioned benefit recital - "Segovia gave a tenner" - but work started to come his way. The BBC was a patron which he remembers with especial gratitude, as how many British musicians do not? First were little interludes on the old Light Programme, then the Home Service (five guineas for quarter of an hour), and after that graduation to the Third Programme.

By the time he was in his mid-twenties he had taken flight; he has risen ever higher over the past quarter of a century. His advance came in part because he was taken up by and with the English musical renaissance. The list of those with whom he has worked and who have composed for him is remarkable: Rawsthorne, Sir Lennox Berkeley, Sir William Walton (who

had promised another piece at his death), Sir Michael Tippett, more recently Peter Maxwell Davies, and maybe most especially Benjamin Britten. Bream has given countless recitals accompanying Britten's lifelong companion Sir Peter Pears, in music by Britten and others.

Although substantially the larger part of his working life has been spent playing the guitar, and although he learnt to play the lute comparatively late, it is the latter instrument that he speaks of with greater affection. It may have a smaller repertoire than the guitar but in large measure it is a superior one. The contrapuntal music of the sixteenth century (and later) is so much more intellectually demanding than much of the guitar repertoire by Spanish and other composers of the second rank, if that.

As with Segovia, it is no wonder that Bream has spent so much time arranging great music written for other

instruments. At his birthday recital tomorrow he and his younger confrere John Williams will be playing the arrangement of Schubert's early G minor String Quartet (D 173) which Bream has made for two guitars.

His life nowadays is divided. Part of it is spent touring, as he describes in racy and funny detail in the recent book *Julian Bream: A Life on the Road* by Tony Palmer (Macdonald £8.95). The road mostly leads abroad: about four-fifths of his 50 or so concerts every year are in Europe or further afield. Touring has its problems and its complications. He has to have a quiet and relaxed day when he is playing, with a light meal before the concert and nothing to drink - "The vino comes afterwards." He likes to be paid his fee in cash, which has meant in light-fingered Italy awkwardly playing with his pockets bulged out by wads of hundreds of thousands of lire.

Most of the time he is in his house not a hundred miles from Salisbury, a large handsome farmhouse surrounded by converted out-houses. Julian Bream is a serious musician behind his charmingly unserious and bucolic manner. He practices and works hard. His day begins at 7.30 with a cup of tea, then half an hour's piano practice to exercise his fingers - this always comes before the guitar or lute - and breakfast and work from 8.30 till noon. After lunch he has a longish walk - in weather as hot as this week's the walk might be before breakfast - and then work again from four till seven.

Wiltshire has other advantages than a landscape of chalk downs. Not very far from Bream's home is the beautiful baroque chapel of Wardour Castle, which has perfect acoustics for broadcasting and recording. (There are also problems. His house is too near a military airbase - as Britten's house at Aldbury was - for silent comfort. And the chapel is not a great many miles away from a large gunnery range: the naked ear cannot pick up the distant gunfire but the recording tape sometimes does.) Mr Bream has the additional happy advantage of a neighbouring guitar-maker.

This is no coincidence. José Romaniños followed him there. Together they have what must be a unique distinction for a great guitarist and a great guitar-maker: the one has a cricket bat made for him by the other. As well as the bat Bream has numerous guitars but normally plays only one. Most guitars, however good, can be played only for so long, then they lose their bloom and their tone grows veiled. The instrument can, however, be rested for a year or so and then nursed back.

Although he lives alone now, with two marriages behind him, Julian Bream is far from a recluse. He has a regular flow of friends to stay, to play music - and not only music. He is a cricket devotee, both as a spectator at Lord's and playing in village matches. Unlike some musicians he has no neurotic care for his physical well-being, although the prospect of a rising ball striking his left hand cannot be amusing. His most serious physical concern is with the finger nails of his right hand. There are various ways of sounding a guitar string, but following Segovia, most players pluck with the nails for greater sonority and brilliance. At the end of Bream's beefy arms and strong though delicate hands are long, tough and carefully manicured nails.

A good part of the time when he is not alone, this hand will be grasping a glass of wine as he talks. Not plonk for a passing oenophilic reporter he cheerfully and most generously opens a bottle of '67 Chateau Latour. For all that he likes touring and concert giving, it is hard not to think that the exiled Londoner is happiest there in his beloved garden with flowers, books, wine and most of all music.

Geoffrey Wheatcroft

moreover...
Miles Kington

Now I know my station in life

I was once brought to a standstill in the late 1960s by an *Evening Standard* placard headline: NUDE POLICE SWOOP. In order to deal with the vision of unclothed policemen wheeling and soaring out of the sky, and swooping on some poor innocent (until proved guilty) victim, I had to come to a physical halt in the street. It was then I noticed the missing colon - NUDE POLICE SWOOP - and could pass on peacefully once more, since which time I have not been brought to a stop by any *Standard* headline. Not, that is, until last Monday when I read the message: LONDON STATION FOR SALE.

It wasn't until that moment that I realized, deep down, that I had always wanted to own a station. This is probably because for four years, between the ages of about 6 and 10, I lived in a station. I went home to sleep and for meals, and I must have gone to school, but the rest of the time I lived in the station, simply because it seemed the best possible place in the world. It was called Gresford; it was a country station and it had everything. It had a level crossing, it had a bridge, it had a signal box and it had buckets hanging up marked FIRE. Behind the station there was a steep hillside with woods which sprouted bluebells in spring and bracken in summer. The other side there were water meadows which specialized in lady's smock and cowslips and through which the River Alyn flowed, though I never found out where to. I had a notice asking passengers to show their tickets at the barrier, and I often wondered why they had to show them and not show them. It wasn't till I was grown-up that I realized railways like using words that nobody else uses, such as "alight", "commence" and "terminate".

Gresford also had trains. I leave mention of them till last because, although at the time I thought I was there to see the trains, I realize looking back that it was the station I loved. I didn't want to be an engine driver when I grew up; I wanted to be a stationmaster.

The line it was on was the main Great Western from London to Birkenhead, and Gresford is just beyond Wrexham, on the last bit of Welsh foothill before the rich Cheshire plains are reached. Why my English father wanted to live in Wales I never found out, but the result is that although I had a Welsh childhood, I shall never be able to write about it like a real Welshman, not being one of the tribe, and not being called Gwyn or Thomas or both. The next village over the hill had the real Welsh name of Llay, and the Gresford lads had a long-standing rivalry with the Llay lads, but I never felt really involved.

Someone at Gresford station, one of the porters I think, liked gardening and the main platform had lovely flower beds which one year entitled them to sport a plaque saying: "Best Kept Station of the Year in... Denbighshire? Britain? The world? It was also a base for pigeon racing. Now and again the stationmaster would lug a big basket full of pigeons off a train and leave it lying on the platform. You could hear them making soft noises inside. Where have they sent us this time? Gresford? Never heard of it. Wales? How the hell do we get home from Wales?"

Then the stationmaster would re-emerge, checking his big turnip watch, and at the very dot of the very hour would open the basket. The pigeons would launch forth as if inaugurating the Olympic Games, circle above the station once or twice, the cold air coming down from the Welsh hills and shoot off in the direction of wherever they lived, apparently unworried by the thought that as soon as they got there they would be put in another basket and sent off again. Occasionally the station master would find one rebellious pigeon skulking in the bottom of the basket and kick him out, then leave the station to me and the flowers. And the trains. The Castles, the Manors, the Halls, the 0-6-0s, the pannier tanks - ah, what engines they were in those days.

The curious thing is that for 99 per cent of the time there were no trains at all. One was always waiting for the next one. And why not? The whole point about being in a station is just being in a station. The one that has just come on the market, Marylebone, is a little big for my needs but now that I know that's what I want, I can wait.

To work or not to work

The Chancellor's charge that some people deliberately remain on the dole because they calculate they are better off that way comes in the wake of a lively academic controversy on the subject. Firmly on Mr Nigel Lawson's side is Professor Patrick Minford of Liverpool University who suggests in a recent book, *Unemployment - Cause and Cure*, that 15 per cent of the workforce would be better off unemployed.

The independent Institute for Fiscal Studies, on the other hand, reckons that only about 2 per cent of the workforce is in this position. They say Professor Minford has exaggerated the costs of working - fares to work and so on - and underestimated the benefits available to low paid people with jobs.

A related argument adding fuel to the debate over whether unemployment benefits should be cut - for instance by not raising them in line with prices as now - is that the level of benefits sets a (high) floor to

wages and so pushes up general pay levels, pricing people out of work. Professor Minford claims that a 10 per cent cut in benefit would reduce unemployment by 700,000 but a more detailed recent study* by researchers at the London School of Economics, based on data from a government survey, suggests the figure is closer to 90,000. With the number of jobless topping three million this would be small reward for a heavy price in hardship for the families left on the dole.

*Unemployment benefits revisited, by W. Narendranathan, S. Nickell and J. Stern, Centre for Labour Economics, Discussion Paper 153.

Home comforts

The boom in mortgage lending, which jumped by nearly 50 per cent last year to £14,000m, has not been accompanied by an equally sharp increase in house prices. The reason is that at least half the mortgage money, and possibly more, finds its way out of the housing market and into other consumer spending to finance carpets, washing machines, holidays and the like.

It is not so much that people are cheating - obtaining mortgage funds just for the tax relief. It is an inevitable part of the process. As the *Bank of England* commented in its *Quarterly Bulletin* last September, every chain in the second-hand housing market has an end. The last house comes on the market because the owner has died, or moved in with relatives, or is sold by the landlord after tenants have left. That cash is not spent on housing. Unemployment may also have

FINDINGS

A series reporting on research:
ECONOMICS

persuaded some people to trade down their houses, releasing cash for consumption. And mortgage money will have gone in large part on home improvements and repairs, and new fixtures and fittings on moving. The Bank reckons that about 50 per cent of mortgage lending now "leaks" into consumption, a much higher proportion than in earlier years. But other researchers put the figure as high as two-thirds.

high compared with experienced adult workers.

During the 1970s youth earnings rose from 47 to 56 per cent of adult earnings, though since 1979 they have fallen back to 53 per cent in 1982. The researchers found that a 1 per cent increase in relative wages cut youth employment by at least 2 per cent, on top of the effects of recession.

The implication is that cutting youth wages would help to price youngsters into jobs. But one snag is that this could mean a lot of adults losing theirs.

Doing it yourself

Self-employment has been one of the few growth industries of the last few years. Between 1979 and 1981, the latest available date, the number of people in business for themselves jumped by 12 per cent - 215,000 - to more than 2 million.

More than 60 per cent are in the service industries, such as shops, the professions, hotels and catering, and garages - with another 12 per cent in farming, forestry and fishing and 19 per cent in the building trades. The main boom area is in insurance, banking, finance and business services - up by 27,000 or 47 per cent. But the June issue of the Department of Employment's *Gazette*, from which these figures are taken tantalizingly provides no more detail. Could this be a

reflection of the explosion in computer services to business?

Yet the growth of self-employment will not be sufficient to replace jobs lost in established firms, according to a study by Peter Johnson of Durham University and John Rodger of the Manpower Services Commission, also reported in the *Gazette*.

They found that only 2½ to 10 per cent of several groups of workers made redundant in the late 1970s has taken the plunge into self-employment. A quarter of those businesses has failed by 1981 and 60 per cent were still employing only one or two people. The study says: "Only 2 (out of 64) employed more than 10 in 1981 and one of these has since failed."

Money puzzle

The case of the missing trade surpluses - \$95,000m (about £62,200m) to be exact, equivalent to a twentieth of all world trade - is baffling the experts. The Bank of England points out in its latest *Quarterly Bulletin* that virtually all the main groups of countries now appear, inconsistently, to be in deficit. But world trade must balance - one country's exports are another's imports. So where has the money disappeared to?

Top of the list of suspects are the undeclared income on overseas assets of investors in the oil-producing states, and the shipping earnings of flags-of-convenience countries. Britain is not the only place where the black economy is booming.

Thin times

The chief economic success claimed by the Government for its first term in office, apart from reducing inflation, has been what it calls the productivity miracle. British industry is demonstrably leaner and fitter now than in 1979, ministers insist.

Doubt is cast on this claim by research by John Muellbauer of Wadfield College, Oxford and Dr Lionel Mendis of the London School of Economics. Their work suggests that there was a brief and genuine breakthrough in output per worker between 1980 and 1981. But the main cause was the massive closure of less efficient plants, labour and management.

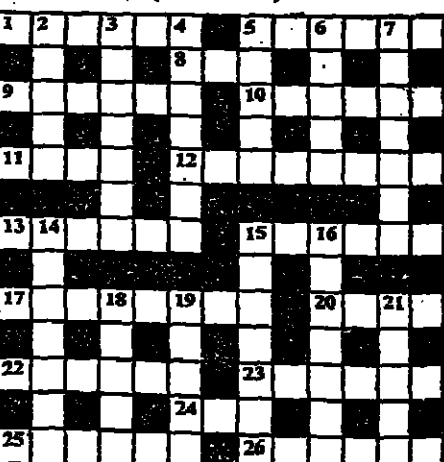
Most of the gains since 1981 have been no more than those normally expected as output begins to recover from recession and the existing plant and workforce is used more intensively, the research indicates.

Once these cyclical improvements are stripped out of the figures, the "productivity miracle" looks less impressive. Muellbauer and Mendis say Britain's long-term productivity growth is unlikely to exceed the sluggish rate of about 2 per cent a year seen in the 1970s unless there is a substantial recovery in investment.

Some indication of how far Britain has to go to catch up with its major international rivals on productivity came last year from the National Institute of Economic and Social Research. According to its Review of August 1982, Britain would have to boost manufacturing productivity by 50 per cent to match European levels, by 100 per cent to equal Japan and by as much as 200 per cent to reach the United States.

Frances Williams

CONCISE CROSSWORD (No 103)



- ACROSS
- Sharp tool (6)
 - Aimless (6)
 - At the stern (3)
 - Roof tiles (6)
 - Not at sea (2,4)
 - Diving bird (4)
 - Welcome (8)
 - Human mind (6)
 - Been unsuccessful (6)
 - Church bells (8)
 - Hawk's strap (4)
 - Muddled (6)
 - Electroachment (6)
 - Firing weapon (3)
 - Jenny (6)
 - Mechanical device (6)
- DOWN
- Salutation (5)
 - Evil (7)
 - Pasta (7)
 - Expiate (5)
 - Rem again (5)
 - Provide funds for (7)
 - Spoken defamation (7)
 - Verdict (7)
 - Wounded (7)
 - Tooth filling (5)
 - Shelf (5)
 - Extra part (5)
- SOLUTION TO No 102
- ACROSS: 1 Pistol 2 Stripe 7 Tent 8 Volition 9 Observer 12 Gel 15 Union 16 Blasted 17 Fig 19 Everyman 24 Oddballs 25 Dice 26 Exceed 27 Animal
- DOWN: 1 Fish 2 Stambling 3 Liver 4 Solve 5 Rite 6 Phone 10 Elope 11 Rally 12 Gymnasium 13 Lode 14 Ruff 18 Index 20 Valid 21 Rasta 22 Oboc 23 Cuff

THE TIMES DIARY

Gone with the deal

BBC television programmes have consistently declined the opportunity to interview Anne Edwards, biographer of Margaret Mitchell, who wrote *Gone with the Wind*, while she is in Britain next week to launch her book *The Road to Tara*. The BBC, you may remember, paid £4.4m in 1980 for television rights to the film. The reason for the reluctance to feature Edwards is simply that the programme producers would all want to introduce her with a clip from the film. Yet to do that would cost them another £850, which is beyond their budget. The BBC's £4.4 million deal with MGM allows for clips to be shown only as trailers to complete screenings of the film.

Financial graffiti

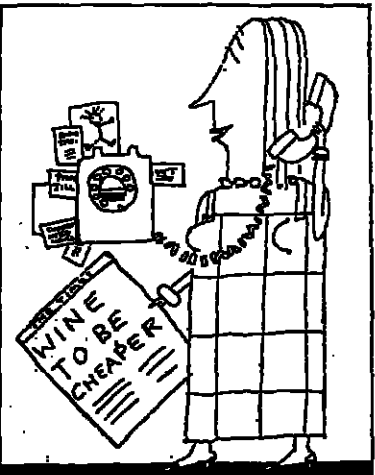
I am glad to see that *The Wall Street Journal* has not been tempted by the absence of its local competitor, *The Financial Times*, to compromise its editorial standards to the extent of writing its headlines in English. Two which caught my eye this week have been: "Sling Aims to Cure Idle Handicap, End Noon Nappers' Snooze Blues" (a man has invented a canvas strap to support the arms of cat-nappers) and "Connecticut Lemon Law on Cars Bears Fruit, Consumers Say, but Auto Firms Are Bitter" (a man was able to claim a new car from General Motors after his Chevrolet Camaro was off the road seven times in five months with a faulty clutch). Neither story would I have read had the headline been readily comprehensible.

"All clocks in this station are incorrect," a scrawled notice at Baker Street underground proclaimed yesterday. Above it, one of the clocks in question showed the correct time, to the second.

Bad language

The English on a German sachet of Arya Laya Citro-Bad explains: "It treats the skin, eliminates the cramps, fortifies the organs and the action of their function. Skinfrinds tenders guarantee a deep cleansing."

BARRY FANTONI



Down the middle

Michael Quinlan, permanent secretary at the Department of Employment, playing cricket for the department against the industrial correspondents, bowled first a wide down the offside, then a ball far outside the leg stump, followed by a dead straight delivery. "He's just the same with me," Norman Tebbit, fielding in the slips, remarked to the batsman. "On the one hand this, on the other hand that, but here is my central submission."

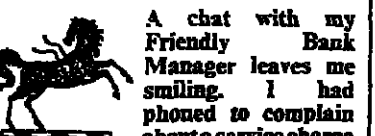
Seering

I owe an apology to the Diary's consultant meteorologist, Arthur Mackins of Bognor Regis. It was with some scepticism that I reported his assertion in February that we could expect a long hot summer. I suggested that you keep the paper in which the prediction was made as it might come in handy to light a fire. Now, Mackins chides me, the paper is likely to catch fire of its own accord in the blazing sun. He promises at least two months' continuation, with the only possible interruption threatened by thunderstorms in an unsettled period from tomorrow until next Wednesday. Prepare the standpipes.

The Irish have solved the difficulty of coping with the confusion between Chris Patten, present under-secretary for Northern Ireland, and his predecessor John Patten, now under-secretary for health. A letter from Jordanstown arrived addressed to: A. Patten, House of Commons.

Causing a stir

An apologetic petty pilferer has returned to the British Airports Authority a teaspoon stolen from Gatwick 47 years ago. It was taken, a covering note explains, while Edward G. Robinson was there shooting *Thunder in the City*. The spoon bears the mark of the airport's original owners, Airports Ltd, and BAA rather doubt they have a use for it.



PHS

Tim Congdon welcomes yesterday's industrial production figures

How 364 economists can be wrong —with the figures to prove it

Britain is now, as it has been for the last four years, a testing ground for economic ideas. In particular, the debate about whether recovery can develop without government stimulus may soon be resolved. The outcome will be important. It will influence for a long time to come the climate of opinion in which policy-formulation and theoretical analysis are conducted.

The earliest and most fundamental criticism of the Conservative economic programme was that self-generating revival in business activity could not occur. In early 1981, 364 economists signed a letter to *The Times* which stated as its main point that: "There is no basis in economic theory or supporting evidence for the Government's belief that by deflating demand they will bring inflation permanently under control and thereby induce an automatic recovery in output and employment."

This letter was undoubtedly representative of academic and professional opinion. Most economists in this country have long thought that it is the Government's task to manage the level of demand. They seem to regard the economy as behaving like an obstinate mule which, without the occasional push and shove from extra expenditure or deliberate currency depreciation, will just stand still. In 1981, when the recession was at its worst, they wanted particularly vigorous reflationary measures.

The Government did not oblige. Instead it adhered to a medium-term financial strategy which specified monetary and budget deficits targets for several years ahead. This strategy came in for some sharp criticism, notably from the Cambridge Economic Policy Group. In a newspaper article of September 30 1981, the group's leader, Professor Wynne Godley, said: "There is no hope at all for a sustained recovery if all that happens is that the MTFS is continued or reconstituted into some alternative mumbo-jumbo". In his view, the MTFS had already become "ridiculous".

The thinking behind the MTFS and, indeed the Government's whole approach was that the economy had in-built mechanisms which would sooner or later lead to improved business conditions. Supporters of official policy were not very explicit about what these mechanisms were or how they operated. But one idea was emphasized quite strongly: it was that lower inflation would permit lower

interest rates and lower interest rates would cause more spending.

So who has been right, the majority of academic economists of the Government and the relatively small band of advisers sympathetic to it? Are there signs of a spontaneous recovery? And are they sufficiently numerous and convincing to decide the argument?

The difficulty with the stand taken by critics of the Government is that they failed to explain how the economy had grown in the centuries before the invention of fiscal fine-tuning, demand reflation and the rest of the Keynesian tool kit. A not very thorough examination of economic history until 1940 suggests that output and employment did recover automatically from cyclical downturns. Contrary to the claim of the 364 economists, there is a mass of "supporting evidence" on the issue. The interesting question is what caused business fluctuations in the absence of a meddlesome demand-managing government.

There are many potential answers, but nearly all involve changes in the rate of capital accumulation and in the scale of credit flows to finance investment. It follows that if we are to understand how the economy might recover without government stimulus today, we should look at wealth and credit. By far the largest single capital asset in the economy is the housing stock, while borrowing for house purchase is the biggest financial transaction most people undertake. It seems reasonable to expect the most reliable signs of recovery to emerge in the housing

market. What is happening in this area at present?

The evidence is unambiguous. The years 1982 and early 1983 have seen a remarkable boom in mortgage credit. As the table shows, lending for house-buying soared from £2,491m in the fourth quarter of 1981 to £3,868m in the fourth quarter of 1982 and has been maintained at high levels this year.

Initially the entry of the banks into the mortgage market was one reason for the rapid increase. But they have curtailed their activities recently, allowing the building societies to resume their traditional position as the dominant suppliers of housing finance. Between the first quarters of 1982 and 1983 lending by the building societies more than doubled.

Housing credit influences economic activity through several channels. There is a direct impact on housebuilding and the construction industry. Probably more important, although less obvious, is a boost to consumer demand. Much mortgage credit does not stay in residential property, but instead seeps out into other parts of the economy by a process known as "equity withdrawal". The classic example is an individual moving up-market who increases his mortgage by more than the change in the value of his home, releasing money for the purchase of consumer durables.

Whatever the particular route by which mortgage lending has been diverted from residential property, there is no doubt that the boom in housing credit has been associated with an upturn in consumer

spending. Retail sales in the first half of 1983 have been about 5 per cent higher than in the first half of 1982; car registrations have jumped by almost 20 per cent over the same period. The upturn in demand is now being followed by an increase in output. Industrial production in May was over 4 per cent up on the low point in November last year, while the latest CBI survey was the most optimistic since 1979.

There is still room for a few qualifications, hesitations and doubts, but it seems clear that a recovery has started. The recovery has taken hold without fiscal stimulus. It owes almost everything to a revival in domestic demand which originated largely in the British public's enthusiasm for home ownership and a willingness to translate that enthusiasm into heavy mortgage borrowing; it owes very little, if anything, to an enlarged budget deficit.

To complete the story we need to ask what was responsible for the boom in housing credit. Some institutional changes, such as the bank's new involvement in home mortgages, played a role, but much more significant was a large fall in interest rates.

As this fall proceeded in 1982, the building societies cut their deposit rates less than the banks, pulled in more money and had no trouble lending it to the large number of their customers eager to increase their stake in residential property. The move to lower interest rates would have been inconceivable without a simultaneous decline in inflation.

Have the 364 economists lost the argument? It seems so. The MTFS may or may not be ridiculous, but it is intact. There may or may not be any basis in economic theory for the Government's belief that lower inflation would lead to an automatic recovery, but that recovery is now fact, not forecast. Although assessments of the success of any economic policy fluctuate almost as violently as the economy itself, optimism about the system's self-correcting properties seems at present to have been vindicated. The open question for the next five years is not "will the 364 economists be wrong?" but "how wrong they will be?"

The author is economics partner of stockbroker L. Messel & Co.

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The boom in housing credit

| | Building societies £m. | Banks £m. | Other £m. | Total £m. | % change |
|---------|------------------------|-----------|-----------|-----------|----------|
| 1979 | 5,269 | 590 | 731 | 6,590 | +19% |
| 1980 | 5,715 | 500 | 1,177 | 7,392 | +12% |
| 1981 | 6,323 | 2,265 | 1,021 | 9,609 | +30% |
| 1982 | 7,841 | 4,927 | 1,027 | 13,795 | +44% |
| 1983 | | | | | |
| 1st qtr | 1,592 | 250 | 212 | 2,054 | +28% |
| 2nd qtr | 1,844 | 400 | 233 | 2,477 | +42% |
| 3rd qtr | 1,591 | 723 | 273 | 2,587 | +35% |
| 4th qtr | 1,296 | 892 | 303 | 2,491 | +17% |
| 1982 | | | | | |
| 1st qtr | 1,222 | 1,078 | 308 | 2,608 | +27% |
| 2nd qtr | 1,943 | 1,289 | 274 | 3,506 | +42% |
| 3rd qtr | 2,062 | 1,508 | 243 | 3,813 | +47% |
| 4th qtr | 2,614 | 1,052 | 202 | 3,868 | +55% |
| 1983 | | | | | |
| 1st qtr | 2,821 | n/a | n/a | 4,000* | +53% |

Note: % change refers to growth over previous year or same quarter of previous year.

* Estimate

Broader-based, a European view

Continuing our series by contenders for the Labour leadership, Eric Heffer outlines the way he thinks the party should develop

The Labour Party is a democratic socialist party, and it must remain so. From its inception it has been made up of many strands, from the left to the right, united by its desire to build by consent a decent, just and egalitarian society. The party believed and still believes that this can best be done through the public ownership of the means of production, distribution and exchange, with a system of democratic control of industry.

It believes that production should be for use and not purely for profit. The old Christian concept that I am my brother's keeper is at the core of Labour's thinking. It is a caring party.

Because Labour has been defeated and Tory philosophy has temporarily gripped many people, there will be those who would like to see Labour jettison its basic socialist ideas, because, they would argue, they are not vote-winners. I believe in the contrary view, i.e. one moves at the speed of the slowest ship, which in my view puts the whole party in jeopardy. Labour must not jettison either its socialism or its compassion, and must continue to fight for greater equality in society. This must remain central to its thinking. What it will need to do is to explain its policies in a more clear and uncluttered way.

The party must build itself into a mass campaigning party. That can be done, and was proved possible in this election, when thousands of people, many of them young, from all walks of life, actively worked in the election campaign and in the process joined the party. The base of the Labour Party is the organized working class. The trade unions helped form the party. They are an integral part of it, and without them it would not be the Labour Party.

With the trade unions being a part of the party there is a recognition that industrial and political life are basically one. This unity needs to be further strengthened at all levels, and to those who say Labour should move away from the unions, I reply that way lies disaster. Certainly, there is room for improvement in the relationship between the two. Certainly, some aspects of it require examination, and some old-fashioned concepts need changing, but the basic elements are sound.

Labour cannot, however, confine itself purely to the organized working-class movement. Beyond that there are other groups and strata in society that are, or should be, natural allies. Millions of young people in particular are concerned about peace. They abhor nuclear weapons, they want to see an end to them. Many are in CND, others are not. They should all be working through and in the Labour Party for their objectives.

There are those deeply concerned about ecological questions: they too should be in the Labour Party. The



same goes for those fighting for women's rights. Blacks and Asians continue to support Labour; they must now become an integral part of the party.

The number of manual workers in industry, the hard core of Labour's support, is decreasing. Today, the old communities in which they lived are increasingly being broken up and the new communities that replace them have less cohesion and inner unity. The tribal aspect of society, while lingering in some places, is slowly dying out. Labour must take practical steps to win over these new groups. It must appeal not only to the manual workers, but also to white-collar workers, professional groups and those progressive groups which have clear, one-issue, political objectives.

Some of these latter groups have clearly been attracted to the SDP/Liberal Alliance. They have not yet been convinced that Labour really cares for them because they have been seduced into believing that politics is not about class issues and that politics and political argument are somehow not a good thing.

The Tories in Parliament are being exposed for what they are, and Labour must continue to expose

them. They, with their policies of turning history back, of undermining the welfare state, of non-intervention in economic and industrial affairs, of supporting reactionary regimes abroad and of advocating reactionary policies at home, must clearly be the main political enemy. But if they are to be turned out of office at the next election, then Labour must also turn its attention to winning support from those who have temporarily been won over to vote Alliance.

The truth of the matter is that in the last election, the Tories did not really win. It was the Alliance which helped to keep them in office. Votes which would and should have gone to Labour went to the Alliance and, in seat after seat, the Labour candidate was defeated because of the Alliance intervention. The Tories are in office even though the country voted overwhelmingly against them. Labour's job between now and the next general election must be to win back that vote.

We must not allow ourselves to be deflected into debates or arguments about proportional representation. That will not come about. The real task is to build up the party, appeal to the workers and a wider public and concentrate on victory.

As for changes in policy, naturally we cannot go on, parrot fashion, saying all the same old things. But Labour's defeat does not mean that the policies were wrong, although they were not properly got over to the public. It is clear however, that some of them need revising. There must be, for example, a greater emphasis on building up contacts among European socialists and trade unionists. The issue of Britain's membership of the EEC cannot now be a central question, certainly not in the foreseeable future. The emphasis must be on producing policies which will win votes for full employment, control of the multinational, planning the continent's resources in the interests of the people and not allowing Europe to become, like the USA, the home of unbridled free enterprise.

What we really need is to work towards a Europe that reflects the bureaucratic concepts of the Soviet Union, where political democracy is non-existent, and the totally free enterprise system of the United States, where money rules. Europe was the cradle of modern civilization. It can be the model for democratic socialism, and that should be Labour's objective. In the past, many diverse politicians have advocated a Socialist United States of Europe, a concept which has been overlooked or pushed aside, but one which I believe has a great deal to commend it. One thing is certain: the type of just society that Labour wants cannot be built in isolation.

That applies equally to the campaign against nuclear weapons. Labour's policies on this are correct and need to be extended to Europe as a whole, with the objective of creating a European nuclear-free zone. While working within Nato, Labour must work for the ending of both the Nato and Warsaw Pacts, so that the frontiers of war can be rolled back.

Mrs Thatcher has faced the country with a stark choice. The Macmillan "middle way" has been destroyed. The future is either to have democratic socialism or for the country and Europe to sink further into the morass of unemployment, capitalist concepts, conflict and confrontation.

Labour has to develop a renewed socialism, one which rejects bureaucratic all-pervading state control and replaces it with a non-state socialism which develops self-management with a greater involvement of the people.

The struggles for the future of Britain are going to intensify. Labour needs a strong, dynamic, vigorous and intelligent parliamentary leadership, but it must also accept that extra-parliamentary activity will increase. This would be in keeping with British tradition, and those Labour councils and trade unions finding themselves in conflict with Thatcherism must be given support.

Labour's future is as a fighting, democratic socialist organization. It is that or it is nothing. If it builds such an organization, appealing to the workers and beyond, a Labour government at the next election is assured.

The author, MP for Liverpool, W. Walton, is Opposition spokesman on Europe.

Next: Neil Kinnock

Ronald Butt

Lawson, shooting in the gloom

The new Chancellor of the Exchequer's cash-saving and cash-raising exercise to cover some of the Government's over-spending in the current financial year has found few supporters enthusiastic enough to cheer him for getting his judgment precisely right.

Those who thought that Sir Geoffrey Howe's budget judgment was too tight for spending and borrowing in the current financial year naturally argue that his successor could have afforded to accept the potential extra £2,000m to £3,000m in public sector borrowing.

The City, on the other hand, has tended to feel that Mr Lawson's correction was enough to signal alarm that the Government's monetary policy was somewhat awry but not enough to remove the reasons for anxiety. Either the cuts should have been larger or the Government should have been willing to come more quickly to the gilt-edged market for the money it needs to borrow at the "right" price.

What the Chancellor has done has admittedly been small by comparison with the possible — but not yet certain — dimensions of the problem. He has, in effect, imposed only £600m of genuine spending economies. The sale of assets is not a genuine economy. Indeed, in strictly monetary terms, it is not distinguishable from an issue of gilt-edged, and it is arguably less satisfactory than an issue of gilt-edged since, leaving aside the desirability of privatisation, at this amount to disposing of capital assets for the specific purpose of covering current spending.

So perhaps, on a strictly monetarist argument, the Chancellor should have raised more like £1,500m from straight economies. It is not hard to see why the Cabinet would have found this politically unacceptable. More important, it is still early in the year to make slashing cuts in anticipation of an end-year recovery, the size of which is at this stage still unpredictable. Indeed, mid-year public sector cuts have usually been regarded as impracticable, which makes it all the more significant that Mr Lawson has attempted them in an attempt to change the psychology of public sector managers.

What has emerged from this episode is how inadequate is the evidence on which Mr Lawson has had to make this adjustment and, as a result, the Treasury is now investigating with the departments how in future to monitor expenditure more closely.

A full and early statement on local authority spending is needed. It should go without saying that Mr Lawson's skill at the Treasury will be assessed by his success in preventing inflation without preventing recovery as well. But more than Mr Lawson's own reputation is at stake. The Government's prospects of a third parliament in which Mrs Thatcher's concept of a new and free society finally takes root is at stake as well.

Paul Jennings

Getting nowhere is all the fun

What is to happen to the old West London Air Terminal in Cromwell Road, now that the Piccadilly Line goes all the way to Heathrow? At present it houses various airline offices; but surely it retains enough of the mysterious atmosphere of arrival and departure, of beginnings and endings, to deserve a better end than that (as one rumour has it) of being put to merely commercial use by Seabury?

It's probably just an accident that ever since the Piccadilly extension opened I always seem to have been taken to Heathrow in the cars of kind London friends. Yet I had the same friends in the days of the West London Air Terminal (was there an East London terminal as well?) and I always seemed to be humping a heavy suitcase up that ramp just too far from Gloucester Road tube station. I'm sure the extension is all that it should be. I imagine smart new escalators coming up right in the middle of Heathrow with awful shops of scarves, Churchill figurines, children's police helmets and huge paperbacks by Robert Ludlum (have made date to read him, in the year LVDLVM).

But has it got the — well, the *otherness* that the West London Air Terminal had? Would it not be better if there were coaches on Piccadilly Line trains which you could enter only if you had an airline ticket? Ordinary commuters would peer in enviously at jolly laughing people with smart matching luggage sipping duty-free miniaures or wonderfully aromatic coffee.

The West London Air Terminal may have been hard to get to but it did bring something of the mystery, the slight *frisson* that air travel still gives most of us (I mean, fancy drinking gin and tonic while you look down on Mont Blanc). Once you had done all the checking-in and went down those cinema exit concrete steps into those buses you were already on another plane, at least metaphorically.

Has it not occurred to the authorities that to give this place over to mere cornflake commerce would be a dreadful sacrilege against the *genius loci*, the whole Cromwell Road atmosphere?

For this is unique in the world as the road of museums, and the West London Air Terminal could be turned into the final, cumulative glory of a marvellous symbolic order starting right back in Knightsbridge. First comes Harrods, bursting with all the material things needed for this life; then Brompton Oratory,

accounted for by central government's own excess of spending over revenue. The rest is accounted for by the central government's lending to local authorities and to nationalized industries.

The Treasury does not know to what extent this money represents capital or current spending, although the overall picture will be clearer when the first quarter of this financial year's public sector borrowing requirement is published next week. In other words, last Thursday's announcement of spending cuts was made, if not in the dark, at least in the half-light of knowledge — which is the principal justification for Mr Lawson's caution in not cutting more at this stage.

Had he done nothing, he would have risked seeming indifferent to the prospect for keeping inflation down in 18 months to two years time, which is what principally determines market attitudes to sterling and interest rates now and in the coming months. Just as the stringency of 1981 led to the present success in curbing inflation (and creating the basis of economic recovery) so laxity now could sow the seeds of renewed inflation in 1985. But the danger was equally of over-reaction, for it is by no means impossible for demand controlled expenditure to contract later this year, and for the total outturn of public spending to be less than is now predicted.

The battle for next year's departmental spending programmes will be a hard one, but the immediate question is whether enough has been done this year to stave off a rise in interest rates here. In the last analysis, everything will depend on what happens in the US but a rise in the rate of interest there is more easily raised if there is confidence in our own domestic economy.

For all these reasons, Conservative MPs are generally disinclined to cavil at Mr Lawson's judgment, but they are rightly worried about the lack of information behind it, and particularly about the extent and purposes for which local authorities can borrow from the Government more cheaply than they can from the banks.

With our borrowing as a proportion of our gross domestic product in constant decline, and our recovery comparing favourably with that of other western countries, they do not want to see capital spending and industrial recovery sacrificed to demand-led and local authority spending. Nor do they want a replica of the 1972-73 property boom.

A full and early statement on local authority spending is needed. It should go without saying that Mr Lawson's skill at the Treasury will be assessed by his success in preventing inflation without preventing recovery as well. But more than Mr Lawson's own reputation is at stake. The Government's prospects of a third parliament in which Mrs Thatcher's concept of a new and free society finally takes root is at stake as well.



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

THE FORTRESS FACTOR

The draft report on future policy for the Falklands published yesterday by the Commons Foreign Affairs Committee once again shows what a useful service can be provided by Select Committees. Naturally the Chamber of the House of Commons will remain the ultimate place where the Government's policies are tested, as well as the spirit and cohesion of the governing party. However, much of the raw material which should inform those debates will have to come from the proceedings of Select Committees, such as with this report. The future of the Falklands should rightly continue to exercise the minds of MPs, even if the position in the South Atlantic provides no foreseeable grounds for any likelihood of early change.

Sir Anthony Kershaw's draft report recognizes certain underlying factors about the Falklands, and argues in favour of the recognition of others. The basic claim to sovereignty is accepted as not proven either way, and thus less proven for Britain than the Foreign Office would assert. However, the Argentine claims - whatever they were before 1982 - have been seriously prejudiced by its unwarrantable resort to force last year, in breach of every accepted principle of international law. Until Argentina completely renounces the use of force, therefore, her claim cannot be seriously considered.

That is the Committee's view, but that is not in itself enough. The Argentine claim cannot be seriously considered simply because it is reiterated. There are respectable international procedures for adjudicating on claims of sovereignty. Argentina should either use them or recognize that it has no better position in law, and possibly a worse one, than the British Government, which thus has no

need to respond to the claim, except when it is pursued with force.

The Committee also states that no change in the situation in the Falklands should be agreed without the fullest consideration of the views of the islanders. That is the minimum commitment that they should expect from the Government.

The Committee goes on to explore what changes there could be. Integration within the UK? Independence? Trusteeship? Leaseback? As a provision of the Antarctic Treaty? Or as a multilateral defence base in the South Atlantic? The merits and demerits of each option are considered. The Committee concludes that of them all the leaseback proposition, extending over a span of several generations of islanders, should be kept under the closest consideration as a possible device for securing the long-term future of the islanders at lower financial and diplomatic costs to the United Kingdom. But not yet. The legacy of distrust and enmity created by the Argentine invasion and occupation, the unpalatable nature of the Argentine regime and its continuing belligerence not only rule out such considerations for the time being, but make it imperative that Britain maintains the firmest posture of deterrence and defence of the islands.

These are respectable considerations for members of Parliament, but they have a major weakness as a basis for policy in a government. The committee concludes that, since the Argentine claim is not likely to go away, it will have to be conceded. It bases this conclusion on the supposition that the defence burden will otherwise become intolerable. No sentiment could be more conducive to encouraging Argentine

intransigence than to take this line.

The committee's fallacy is to consider that the defence burden will automatically become intolerable. It will indeed be an additional burden on Britain's defences. That might cause the actual contribution to the European theatre to be lightened. What is overlooked, however, is the considerable strategic advantage of a continuing British presence in the South Atlantic.

In the United States there is a division of view about the need to mend fences with Argentina and the fear of upsetting Britain in the process. In November, when Argentina should acquire a civilian government, it will be necessary for Washington to make friendly representation to Buenos Aires, which will probably include some arms deals. Arms sales may be a necessary element for forging a new relationship between Washington and Buenos Aires. The weapons concerned must not alter the current balance of power over the Falklands, but provided that can be arranged, Britain should not protest. The only hope of more amicable future relations between Buenos Aires and London must lie in a triangular relationship with Washington. That might encourage a gradual understanding in Buenos Aires that Argentina's strategic interest in the South Atlantic is best served by multilateral conversations and agreements and not by an obsessive persistence with the claim to sovereignty over the Falklands. Then - but only then - it might be possible for Britain to contemplate leaseback arrangements in which the juridical change would not in any way undermine the security of the Falklanders and Britain's capacity to guarantee it.

THE SHORT-SIGHTED STREET

On a clear day in Fleet Street you cannot often see tomorrow. It is the fate of the *Financial Times* to be out of print at present, struggling with a dispute which has dragged on now for 40 days. But it might be any other house. The plethora of negotiating bodies, each and any one of which can halt production of any issue of any paper on any night - at *The Times* there are 35 such bodies - when coupled with a congenitally cavalier attitude to agreed procedures, and aggravated by the failure of the printing trade union leadership when challenged to exercise that leadership to the full over its members, that creates conditions of total instability.

If ever the nation needed an example of the trade union leadership paralysed by its own impotence - or at least by its lack of will to enforce its writ - the dispute at the *Financial Times* provides an unedifying illustration. It has become a commonplace to blame Fleet Street managements for the chaos in Fleet Street, on the grounds that "they do not manage". Certainly many managements have surrendered their prerogatives far beyond any prudent degree, to a point where they neither hire, fire or take primary responsibility for the general deployment of many of their workers. To that extent they do not manage. In the case in question at the *Financial Times*, however, that criticism does not apply.

Here was a management operating in an orthodox manner, respecting procedures which were then flouted on the shop floor. It called in the trade union leadership, including Mr Len Murray. They endorsed the exercise in mediation and Mr Murray, on behalf of the TUC, said he hoped both sides would respect its findings. Mr Wade of the NGA said that the union would give it most earnest consideration and agreed that the target date for concluding negotiations should be 3 July.

In the event, the paper has not restarted publication. What response has there been from Mr Murray and the other trade union leaders? The answer at present is very little. As hitherto, disruptions in Fleet Street are shown to flourish because trade union leaders cannot, or will not, put their own house in order. The *Financial Times*, though the latest victim, is merely one more in a long saga of trade union inability to deliver its members.

It is difficult for other newspapers to help the *Financial Times*, much more difficult than it is for other members of the NGA to help their colleagues there by subscribing a weekly £5 levy from pay-packets of several hundred pounds per week. It may sound like crocodile tears for another newspaper - and one certainly engaged in some direct competition with the *Financial Times* - to bewail the absence of its competitor. But apart from the transitory benefit of advertising revenue coming here in default of a home at the *Financial Times*, there are distortions to our sales pattern, and a general lack of clarity in the commercial picture, which are not welcome.

On a higher level, moreover, it is not comforting for any Fleet Street house to witness the ease with which any Fleet Street

workers can bring the whole edifice tumbling down. We come in to work each day with no guarantee that one or other of the many trade union chapels will not conspire to halt production. When the bell tolls for the *Financial Times* it tolls for us all.

There are only three conditions in which Fleet Street can ever see beyond its nose, even on a clear day. The first is for the trade union leadership to acquire the authority and will to deliver its members to honour agreements. That is sadly lacking to date. The second is for Fleet Street managements to introduce a system, such as a layoff clause in their working agreements, which would prevent small groups of workers being able to hold the whole company to ransom because it has to continue paying all its other workers during their period of enforced idleness. If a layoff clause is impracticable then binding contracts should be considered which have the sanctity of contracts and would thus carry penal consequences for any breach.

Finally the performance of the National Graphical Association in the dispute at the *Financial Times* has shown once again that it is not entitled to be entrusted with monopoly control of the new technology knocking on Fleet Street's doors. It is not entitled to insist on this monopoly, nor is it systemically necessary. Mr Joe Wade recognized that fact in his speech to his annual meeting two years ago; but his members do not yet seem to have absorbed the message.

Kadota, is the head of the Foreign Ministry's United Nations department and is expected to raise the issues of the Soviet invasion of Afghanistan and the occupation of Cambodia by Vietnam, which have both been condemned by the UN. But matters closer to home are likely to lead to even more heated discussion.

The USSR has reinforced its military bases in the four disputed islands, lying to the north of Hokkaido, which the USSR occupied in 1945 and claims as an inalienable part of the Soviet Kurile chain. Tokyo continues to demand the return of its lost northern territories. As a consequence of the Soviet military build-up and aggressive policies in Afghanistan and elsewhere, the USSR has lost valuable trade with Japan.

Rather than stridently accusing Tokyo of "militarism", the Soviet leaders should reflect on their isolated position in the world. It is not by chance that Nato countries, China and Japan share a mistrust of Soviet intentions and a consequent determination to strengthen their defences.

Since even the largest opposition party, the Socialists, received only a third of the number of seats won by the Liberals in the June elections to the upper house of the Diet, Mr Nakasone can expect to continue his policies of strengthening defences and promoting closer ties with the United States.

The leader of the Japanese delegation in Moscow, Mr Shozo

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Moscow has repeatedly attacked Mr Nakasone for stating his intention of turning Japan into an "unsinkable aircraft carrier" but of course has failed to acknowledge his reason for doing so: the need to stop Soviet submarines and Backfire bombers violating Japanese territorial waters and airspace.

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Putting financial world to rights

From Mr A. J. Fox

Sir, The burgeoning scale of sovereign debt to the international banking community is such that, sooner or later, this debt will have to be recognized for what it is: permanent funding of the kind normally associated with the national debt.

It follows, therefore, that these loans should be converted into bonds for which both interest and redemption provisions should be under the regulation of the IMF. After a suitable period, in which it would be hoped that interest would be reliably met, trading in the bonds should be permitted on the major world bourses, thus allowing the banks eventually to restructure their sovereign exposure.

It is another matter whether or not the international banks would welcome converting part of their loan portfolio into "Argentine Everlasting" or "Polish Perpetuals", but a solution managed by the appropriate international agency would be preferable to recurrent rescheduling crises.

As for the debtor countries, they will not be allowed to follow the example of Britain, which even now has £2.6bn outstanding in irredeemable (undated) low-coupon gilts whose original owners must regard the UK Government as being in default, but not, of course, legal - default.

Yours faithfully,
A. J. FOX,
7 Brambles Park, Bramley,
Guildford, Surrey.

Western defence

From Mr Lionel Bloch

Sir, Ever since the US agreed to carry most of the burden of Western defence, we had to put up with the unsightly spectacle of European wars currying at the military efforts of successive administrations from the comfort and security provided by the American nuclear umbrella.

The latest example is your anonymous profile (feature, July 8) of the Assistant Secretary for International Security Policy, Mr Richard Perle.

Even his expertise and brilliance are only acknowledged in order to emphasise the *ad hominem* sneering. His crime? A determination, shared by every senior member of the Reagan Government, to stand up to Soviet expansionism and not be fooled by bogus disarmament postures.

Mr Perle is allowed a few sentences about the inordinate increase in Soviet missiles since 1972. As the argument is unanswerable, no attempt is made to answer it. Indeed, no evidence is offered to substantiate the snide criticisms of the policies which he articulates. Instead there is abuse: "Darius Vardar of the Pentagon", "The Cold Warrior", "The Prince of Darkness", "Only Doctor Strangelove and the Apocalypse are somehow omitted."

His pleas for higher standards of arms control - the *sine qua non* of any meaningful disarmament negotiations - are belittled as "his standards".

Of course, Perle has enemies: unilateralists whose fantasies collapse under the lucid scrutiny of bankers who are concerned about their wobbly loans to Eastern Europe; churchmen to whom an accommodation with the Communist regimes seems the most important thing; and miscellaneous wets and appeasers. It is a matter of some regret that *The Times* should, at least in this instance, appear to join their ranks.

Yours faithfully,
LIONEL BLOCH,
9 Wimpole Street, W1.

De minimis

From Mr Andrew Webb

Sir, The article by Frances Gibb (Spectrum, July 4) rightly points out that criminal legal aid is often by all concerned in the judicial system and often results in an extravagant waste of taxpayers' money.

To illustrate the point further: I recently acted for a 31-year-old woman, with no previous convictions, who stole two packets of peanuts, value 48p, from a shop. The magistrates were of the opinion that she needed to know more about this woman before sentencing her and so the case was adjourned for reports.

Legal aid was granted and the end result was that the woman was given a conditional discharge. The legal aid cost of preparing that case and representing that woman came to £262.85.

Yours faithfully,
ANDREW WEBB,
26 Bellevue Crescent,
Clifton Wood,
Bristol, Avon.

State safety net

From Mr Derek Osborne

Sir, It is sad to read in your leading article, "The safety net state" (June 27) an encouragement for the resurrection of the every man for himself ethic in a field of social democracy where, after many years' thought and effort, we had managed to eliminate the need for individual and commercial usury and competition.

There are so many other areas in which these factors depress the unprivileged and stimulate the arrogance of the privileged (and some of us may move from one group to the other more than once) that it was refreshing to witness the patient growth of a caring society.

You trot out the monetarist statistics about the cost of universal service as though they were dismissal enough. But you fail to examine the alternative cost in human misery which our past experience records so fully. The test of a benevolent society is when most

Change in the nature of marriage

From Dr J. Dominian

Sir, The proposed changes in the divorce law and the Church of England's consideration of remarriage in church have once again focused attention on marriage and divorce.

In the last 25 years there has been a 600 per cent increase in divorce and there is much debate about the causes, consequences and what course of action should be taken. We are about to see another round of this discussion insofar as it affects the plight of children, the financial disposition of the spouses, and the Church's attitude to marriage.

It seems unlikely that a coherent policy for the future will emerge until society faces the fact that we are witnessing a profound change in the nature of marriage. The name remains the same, but its inner world is changing from being primarily a permanent contract, in which the children and their welfare were its main concern, to a relationship intended to be permanent, in which companionship, equity and personal fulfilment are becoming just as important as the welfare of children.

The viability of marriage is increasingly reflecting the ability of two people to meet each other's minimum social, physical, emotional, intellectual and spiritual needs. The gap between the previous expectations and the current ones, unassisted by preparation, education or support for the changes, has been filled by divorce.

Until society accepts this transformation in marriage, which is occurring at different rates throughout this country and the whole of Western society, it will remain helpless before divorce, with its large-scale human suffering and the cost to the state of upwards of £1bn annually.

It is important that the Government, churches and society join forces to make use of the available facts, whilst encouraging more research to integrate nationwide programmes for both church and state marriages which aim to give adequate preparation before marriage and effective support to the unfolding relationship afterwards.

A co-ordinated plan is needed for education, prevention and early effective intervention at the start of difficulties. The basic ingredients for such a policy exist if all concerned show the will to grasp the challenge presented by one of the most profound changes in the fabric of society.

Yours faithfully,
J. DOMINIAN, Director,
Marriage Research Centre,
Central Middlesex Hospital,
Acton Lane, NW10,
July 12.

From his Honour Lyall Wilkes
Sir, For over 18 years on the Bench until my retirement last year, I have dealt almost every day with some aspect of divorce and the consequential travail of custody, access and financial applications, so that what follows is the result of that experience.

The attempt by the courts under the present rules to place the parties

in the position they would have been in had the marriage not broken down may have been impossible to achieve, but it kept before the courts the vital principle that there should be no "offensive disparity" between the standard of living of husband and wife before the divorce and after.

It is now apparently proposed that the "no offensive disparity" principle should be replaced by the doctrine of "the clean break" and the "no meal ticket for life" principle, so that the husband who made his marriage vows for life is to be allowed, or encouraged, to free himself of all obligation to his wife after the wife's period of "rehabilitation" is ended.

This reduction of marriage to a contract limited in time - and a very short time where there are no children - seems to me to be offensive in itself, for if anything is certain it is the easier you make divorce the more divorce you will get. Is that really what Church and Parliament want?

But even with the present disparity doctrine what so often happens is that, with half the proceeds of the matrimonial house sale, the wife still has not enough money to buy a house, and since she is not earning enough (and often nothing at all) she cannot obtain a mortgage and so is compelled to go into a council house or flat: the husband on his earnings does obtain a mortgage and buys a house or flat.

The wife, or ex-wife, and children are therefore left with a depreciating asset, the rent increasing every year, whilst the husband, or ex-husband, gets his feet once again on the property ladder and has an appreciating asset. At once the gap opens between the standard of living and the environment of the children of the first and second marriage.

The ex-husband is under pressure from his second wife to do only the minimum for his first family; the court orders for the first family are too low because the courts generally pay too much attention to the new domestic burdens the ex-husband has quite voluntarily assumed on his re-marriage, without thought as to whether he can discharge his obligations to his first family.

To be encouraged by Parliament to think it is possible to "wipe the slate clean", to pretend that your mistake never happened, or should have no unpleasant long-term consequences, is much in accord with today's fashionable flight from personal responsibility and responsibility for choice. Both husband and second wife entered into their marriage with their eyes open as to the husband's prior obligations.

And what 12 years after the divorce, the ex-husband, much improves his position in the world? Under the present "no disparity" principle this can be taken care of. But under the banner of "no meal ticket for life", this cannot be dealt with.

Yours faithfully,
LYALL WILKES,
Dissington Garden House,
Dalton,
Newcastle upon Tyne,
July 5.

EEC accountability

From Mr Harry Saller

Sir, It is a pity that even among members of Parliament (Sir Anthony Meyer, July 2), there is still a misunderstanding of what can be done for the United Kingdom by simply increasing the size of the EEC budget.

There should certainly be such an increase or the Community will grind to a halt. But to say, as Sir Anthony does, that there would be a significant financial benefit for the UK from an expanded regional policy is to ignore the facts.

The UK at present gets 24 per cent of the EEC Regional Fund and contributes overall about 24 per cent of its cost - net benefit, nil. However, additional expenditure is financed from the VAT element of the contributions of member states, where the UK's share is about 21 per cent, so one can argue that an increase in the fund would benefit the UK, but only by about three units for every 100 units of additional expenditure.

It is highly unlikely that Italy, Greece and Ireland (the other main beneficiaries from the fund) would agree that we should get more than

the present 24 per cent and, indeed, when Spain and Portugal join our share, under the present method of calculations, will drop to about 20 per cent and our share of financing the cost will increase. We are not the poorest of the poor in the Community and will be even less so when Spain and Portugal come in.

Enlarging the EEC budget, although desirable in itself, is not the answer to the UK problem. The financing side has to be rethought so as to bring the contributions of member states more in line with their capacity to pay. If there is not agreement to that, then either the other member states have to agree to continue the ad hoc rebates which we have had for the past four years or we regard our net contribution (only about £10 per head of the UK population) as a reasonable price to pay for membership of the Community.

Certainly the issue must not be seen as one which could call into question that membership.

Yours faithfully,
HARRY SALLER,
63 Rue de la Liberté,
1040 Brussels,
Belgium,
July 4.

Dr Banda's 'Eton'

From Dr Ian Michael

Sir, Michael Hornsby (feature, July 2) could have brought out more fully the irony of Dr Banda's academy if he had made it clear that Malawi has had its own university since 1965. The university was founded on the initiative of Dr Banda, who is its Chancellor, at a time when it was the policy of the Malawi Government to

provide undergraduate education at home.

One effect of the academy and its programme of foreign scholarships for first-degree courses is to reduce, by implication, the standing of Dr Banda's own university.

Sincerely,
IAN MICHAEL (Vice-Chancellor,
University of Malawi, 1964-73),
10A Downfield Road,
Bristol, Avon,

of its members (it can never be all) are prepared to contribute their shares to preserve a freedom from fear, let alone from want. In a civilized state this ideal can become a reality. Not where every man is for himself.

Your disciples have talked these last few months vigorously and resolutely of freedom and justice, but with little sign that they understand the terms. Decades ago even a Forsythe had to recognize his epoch as one which "had glided individual liberty so that if a man had money he was free in law and in fact, and if he had not money he was free in law and not in fact".

True freedom depends on respect for others, not on fights with them to gain the lion's share, be it of a private health company's profits or the power to summon "my little man" from Harley Street or "my little nurse" from "wherever she lives".

As each of us knows, there are ways to economize without cutting our throats. Let the social services

be pruned and pruned again as their expenses rise. Let the fees, drug prices, estate sprawls, administering personnel, etc, be continually reviewed. Let new techniques for management and service be explored and tried. But do not let us abandon what is perhaps the one great achievement of the British people since 1945.

Nineteen eighty four is nearly upon us. Ironic that Orwell had other targets in his sights (or did he?) I do not know which he wrote first, but already we seem to be in the gateway to an Animal Farm, where justice is done but more for some than others.

If we have to go in, and maybe we shall not, I hope that *The Times* will manage to keep its four feet firmly on the ground.

Yours sincerely,
DEREK OSBORNE,
4 Dale Close,
Horsham,
West Sussex,
June 29.

Herstmonceux sale effects

From the Astronomer Royal

Sir, The proposal (*The Times*, July 8) that the Science and Engineering Research Council should dismantle the Royal Greenwich Observatory by selling its present home, Herstmonceux Castle, involves more than the economics of cubic feet of office space and the problems of maintaining a fifteenth-century castle.

Since Greenwich itself became unusable, the observatory has provided many services for British universities. In addition to the traditional services to time-keeping and navigation, it now provides vital observing facilities for university astronomers in the form of training telescopes at Herstmonceux and major telescopes in Australia and the Canary Islands.

In collaboration with Hull and other universities it has also recently completed a satellite laser ranger, which is expected to make major contributions to international geodetic programmes.

The report in *Nature* (June 30) that economic difficulties of the council as a whole may lead to the closure of the satellite laser ranger within a year of its completion suggests to me that the proposed economies at Herstmonceux may have been set down without due consideration to their effects on the many university research groups that now depend on the observatory.

It would be very sad to see the castle misused, or the library of the old Royal Observatory dispersed: it would be a disaster if the many ways in which the observatory provides for university research were to be destroyed in the process.

Yours faithfully,
F. GRAHAM SMITH, Director,
University of Manchester,
Nuffield Radio Astronomy
Laboratory,
Jodrell Bank,
Macclesfield,
Cheshire,
July 8.

A taste of nothing

From Mrs Stella Herbert

Sir, The mass of facts and figures produced by the supporters of rape honey is indeed impressive. I had not realised that I was betraying my country by objecting to it until I read Mr Sergeant's letter (July 4).

If, as he suggests, the lack of distinct flavour makes rape honey "ideal for children", how much further this idea could be taken in other areas of the food-processing industry.

Great strides have already been made in removing the flavour from, for instance, bread, chicken, pork and potatoes, but why not apply the same principle to all foods objected to by children? One thinks of turnips, apricots, onions, coffee, Christmas pudding, kippers - the list is endless.

The success of such a scheme would put an end to unpleasant mealtime scenes and restore parent power at a stroke.

Yours faithfully,
STELLA HERBERT,
23 Cedar Drive,
Market Bosworth,
Nuneaton,
Warwickshire,
July 6.

Feet on the ground

From Mr A. D. W. Pimm

Sir, I was very interested to read Sir Peter Macfield's letter (July 9). I should like to point out, however, that Joseph Montgolfier ascended from Lyon in a large balloon, "La Flesselles", on February 19, 1784, accompanied by Pilâtre de Rozier and several other people. They landed prematurely owing to a tear in the fabric but are said to have attained a height of about 1 km.

Etienne did not accompany his brother on this occasion and probably did not make any balloon ascents.

Yours faithfully,
A. D. W. PIMM,
43 Rowan Walk,
Bromley,
Kent,
July 11.

Hongkong council

From Mr W. Lo

Sir, As an ex-member of the legislative council of Hongkong, the remaining and most important colony, I would like to correct an error in Mr H. Hall's letter to you in *The Times* of July 4. He stated that the colonial legislators consisted of elected members and nominated members appointed by the governor, after the election had been held. This is not so; all members are appointed by the governor. Yours faithfully,
W. LO,
Hyde Park Hotel,
Knightsbridge, SW1,
July 5.

Bit of a come-down

From Mr Alan Brooks

Sir, How delighted I am that my local branch of the Abbey National Building Society is one of those fortunate enough to be already computer-linked! For, this morning, the machine unblinkingly credited me with a balance, in my seven-day account, of £3,871,870.

I have the evidence in the print-out in my passbook. It is true that it has been crossed out and replaced, in a humble hand, by the correct figure - a somewhat smaller sum. But, at least, I have had the satisfaction of being a (multi-) millionaire for a minute.

Yours faithfully,
ALAN BROOKS,
43 Western Avenue,
Brentwood,
Essex,
July 8.



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1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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- Export credits of equipment goods and services
- Lines of credit for import of capital goods
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- Assistance with the preparation and evaluation of investment projects, including project financing in Portugal or abroad
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Lord Elwyn-Jones writes:
May I add a note to your
obituary for Keith Wickenden?
He had a great personal
interest in the problems of

In 1977 he chaired an appeal
for the Foundation in Kent, the
success of which was largely due
to his leadership.

practical effect as a Trustee of the Mental Health Foundation. service to the Foundation both in and out of Parliament.

Portugal

After months of uncertainty, Portugal now has its strongest parliamentary government since the 1974 Revolution ended the dictatorship. But Dr Mário Soares has come to power at a time of acute economic crisis. Richard Wigg reports.

One of the most revealing books on Portugal's contemporary politics, published just before the April general elections, is *The Illusion of Power*. Written by a full-time political adviser to President Eanes, the book is a privileged insight into the inner workings of the country's two main political forces, each vying for power to lead the nation and so effectively implement a programme.

After the Portuguese voters last April 25 cautiously hedged their bets, giving 36.3 per cent to the Socialists and 27 per cent to the Social Democrats (in elections held on the ninth anniversary of the armed forces "Revolution of the Carnations"), these two parties found themselves - after years of combat - with no real alternative but to form a coalition government.

Their two leaders, both lawyers but men of very distinct personalities, the 59-year-old Socialist Dr Mário Soares, almost as widely known outside Portugal as at home, and Social Democrat Professor Carlos Mota Pinto, aged 47, clinging to his Coimbra university town birthplace, laboriously drew up a coalition programme and late last month obtained approval for it from the Assembly of the Republic, Portugal's single chamber parliament, by 161 votes to 67.

In parliamentary terms it is the strongest administration post-revolutionary Portugal has seen. The reforms of the 1976 Constitution, reducing the powers of the presidency, coupled with the new Government's two-thirds majority further restricting his veto, give the nation the chance for the first time of a strong executive.

Yet the so-called "Central Block" has come to power in the most awesome economic crisis of Portugal's modern history.

The dire economic facts of the situation overshadow, or ought to overshadow, all politics at least until the end of the

18-month long emergency austerity programme Dr Soares, Prime Minister for the second time and leading a government of national salvation, has prescribed for the country.

These facts are - foreign indebtedness, nearly \$14,000m, which has doubled since the revolutionary phase ended in 1976 and is a heavy burden for a country with under ten million inhabitants; a balance of payments deficit of \$3,200m, largely due to imports of essential items like cereals and oil; a chronic public sector deficit, with near bankrupt public sector enterprises, productivity figures only one fifth of the OECD average and half those of neighbouring Spain, and at least one million jobless or underemployed.

Portugal has been living on borrowed petrodollars, particularly since 1979 when the late Dr Francisco Sá Carneiro, a Socialist-Democrat leader, obtained power by leading an anti-Socialist coalition govern-

The new Cabinet

Mário Soares (Soc) Prime Minister, Carlos Mota Pinto (Soc Dem) Deputy Premier and Defence, António Almeida Santos (Soc) Minister of State and Parliamentary Affairs, Eurico Lopes (Soc Dem) Finance and Planning, Eduardo Pereira (Soc) Interior, Jaime Gama (Soc Dem) Justice, José Seabra (Soc Dem) Education, Amílcar de Azevedo (Soc Dem) Labour, António Maldonado Gonalves (Soc) Health, Manuel Costa Soares (Soc Dem) Agriculture, José Veiga Simão (Soc) Industry and Energy, Álvaro Barreto (Soc Dem) Trade and Tourism, António Coimbra Martins (Soc) Culture, João Rosado Correia (Soc) Social Affairs, António Capucho (Soc Dem) Environment, Carlos Melancia (Soc) Maritime Affairs.

ment, with levels of domestic expenditure well ahead of national production. These grew in real terms at more than ten times the OECD nations' average.

The drama now in Lisbon lies not only in Dr Soares's new image of a man of action without any more verbose socialist oratory. Beside him is Dr Ernâni Lopes, aged 41, the steady new Minister of Finance

and Planning, who shoulders a task which dominates the rest of the cabinet: made up of nine Socialists and seven Social Democrats.

Son of a Lisbon tailor, Dr Lopes is an Independent close to the Social Democrats. Some people in Lisbon are already likening him to the young Dr António Salazar, who started his dictatorship of almost 50 years by putting the country's finances in order in the 1920s at the behest of the military.

But the parallel seems inaccurate. Dr Lopes is not a monetarist for monetarism's sake. Austerity, symbolized after his taking office by devaluation of the escudo, steeply increased fuel prices, and a slashing of food subsidies on items of popular consumption, is for him not an end in itself, but a necessity to get a grip on the nation's spendthrift economy. The economy has got to be restructured, not lived off anaesthetically from the outside world, as under Salazar, but in order to join the European Common Market, Portugal's only long-term salvation in Dr Lopes's view.

Portugal's contemporary mood packs a fundamental paradox. Many ordinary Portuguese openly say their country needs firm, decisive government, leadership out of the crisis. But Dr Soares, presenting his Government's programme to Parliament before the vote, shrewdly noted a tendency in the country to regard the sacrifices needed as always incumbent on "the others".

Senhor Francisco Pinto Balsemão, the previous prime minister whose two and a half year administration as the longest-lived government since the end of the Revolution must take much of the blame for how Portugal's crisis has only worsened, has just warned of the risks involved in combating the dilemma for democracy itself.

"Democracy is only viable from certain economic, social, and cultural levels of development", the former magazine editor told Lisbon's *Diário de Notícias*, "and when these levels are pushed down by reason of an economic crisis or structural defects the regime itself, and not merely the government of the

day, is endangered. To cut the per capita annual income from \$9,000 to \$8,500 is one thing, to go from \$3,000 per head, which is still not yet Portugal's level, to \$2,500 is very different and has totally distinct political effects".

Dr Soares, in the name of patriotism, has taken on a daunting political challenge to lead the Portuguese out of a crisis whose cure cannot fail to have high social costs. Even his ambition to run for the presidency in 1985, an open secret in Lisbon political circles when President Eanes is constitutionally ineligible to run for a third consecutive term, does not lessen his calculated political gamble.

For as Portugal's most

experienced politician he is attempting to act as a bridge between the following of his own Socialist Party in the country and that of the Social Democrats.

But already his call for a "social pact", even a truce, between the social partners has not met with the hoped-for response. With more than one million jobless or underemployed, 100,000 estimated workers months behind with their wage payments and inadequate social assistance, the crisis in Portugal is a wholly different phenomenon from that of northern Europe. The IMF's recipes for a stabilization programme, prior to stand-by assistance, on which Dr Lopes is embarking *faut de mieux*, is

not being tried in a faraway Latin American or Asian nation but in a country of Western Europe still struggling with structural, social and political problems of underdevelopment.

Senhor Pinto Balsemão's words ought to be clear to the bankers. The communist-run General Confederation of Labour (CGTP), Portugal's most powerful trade union organization, has a confrontational mentality and without waiting to learn the details of Dr Soares's programme, began organizing the workers against what it pronounced were "rightwing economies". It said the offered truce meant only "workers capitulation".

When, during its first week of office, the Government devalued the escudo by 12 per cent and withdrew subsidies on such essentials as bread, milk,

sugar, cereals and animal feed, so increasing prices by more than 20 per cent. Petrol prices were increased last week for the second time this year.

The Government has pledged to work "until exhausted" to carry out its economic recovery and development plan for national salvation. In the short term, this means tackling the balance-of-payments deficit and the foreign debt. Long-overdue measures taken by the last caretaker government at the beginning of the year, such as raising interest rates and a surcharge on imports, are beginning to take effect and the measures now being introduced are designed to restore international banking confidence in Portugal after seven months of political uncertainty.

Short-term borrowing problems are tempered by the fact that the debt servicing ratio is around 27 per cent and by the \$11.5bn of foreign exchange reserves (largely in gold) which the state has demonstrated its willingness to use.

The escudo devaluation was necessary not only as a deterrent to imports but more importantly to give the green light to emigrants and businessmen with vast amounts of foreign reserves outside the country due to continuous devaluation rumours. The Government has warned the population that wage increases cannot keep pace with the cost-of-living increases and that everyone must make sacrifices in order to put the economy on its feet again.

In fact, the Government has little choice in how it achieves this and negotiations with the International Monetary Fund started this month.

Also included in the 18-month short-term programme is a review of present labour laws and a freeze on all new state investment until August 31. An immediate opening-up of certain sectors of public enterprise to private investment, namely banking, insurance, cement and fertilizers, is planned. This is more a psychological step to promote confidence and definite effects, though probably far-reaching, are unlikely to be felt in the short term. Then follows a middle and long term programme of development and modernization, especially of the state industries.

continued on page 17

THE ECONOMY

The truth that must be told

In his speech at the swearing-in of his government last month the Prime Minister, Dr Mário Soares, solemnly announced that the moment of truth had come. It was no longer possible for Portugal to obtain overseas loans while the country continued to live beyond its means. The economy has been paralysed for several months and major public and private companies, employing thousands of workers, are on the verge of collapse with billions of escudos in debts. The state is unable to continue the subsidies that have kept these companies functioning artificially.

For the past few years Portugal has maintained a level of domestic expenditure in excess of its national production and this excess has been financed through external borrowing. Portugal's failure to adjust to the second oil shock in 1979 meant that its domestic expenditure in real terms during the past three years has increased by almost 15 per cent while the OECD countries' percentage stands at about 1 per cent. Money supply increased by 35 per cent in 1980 and 1981 and by about 27 per cent last year.

The average growth rate during the past three years was around 3.2 per cent. In 1981 the balance of payments deficit represented almost 11.5 per cent of GDP and last year the figure had risen to 13.5 per cent. These levels of deficit could only be maintained by borrowing. The external debt has almost doubled since its 1979 figure of \$7.27bn became \$13.46bn at the end of 1982.

On coming to power the new Socialist-Social Democrat coalition stated that many Portuguese were not yet aware of the dimensions of the crisis. It is difficult for them publicly to blame the previous management for the present situation as the Social Democrats were the majority party in the last government. Until now the effects of the crisis have mainly been felt in banking and financial circles but with the introduction of the present short-term austerity measures the whole country will share the sacrifices that these measures entail. Public awareness came quickly when, during its first week of office, the Government devalued the escudo by 12 per cent and withdrew subsidies on such essentials as bread, milk,



Dr Mário Soares: the new Prime Minister prescribes austerity

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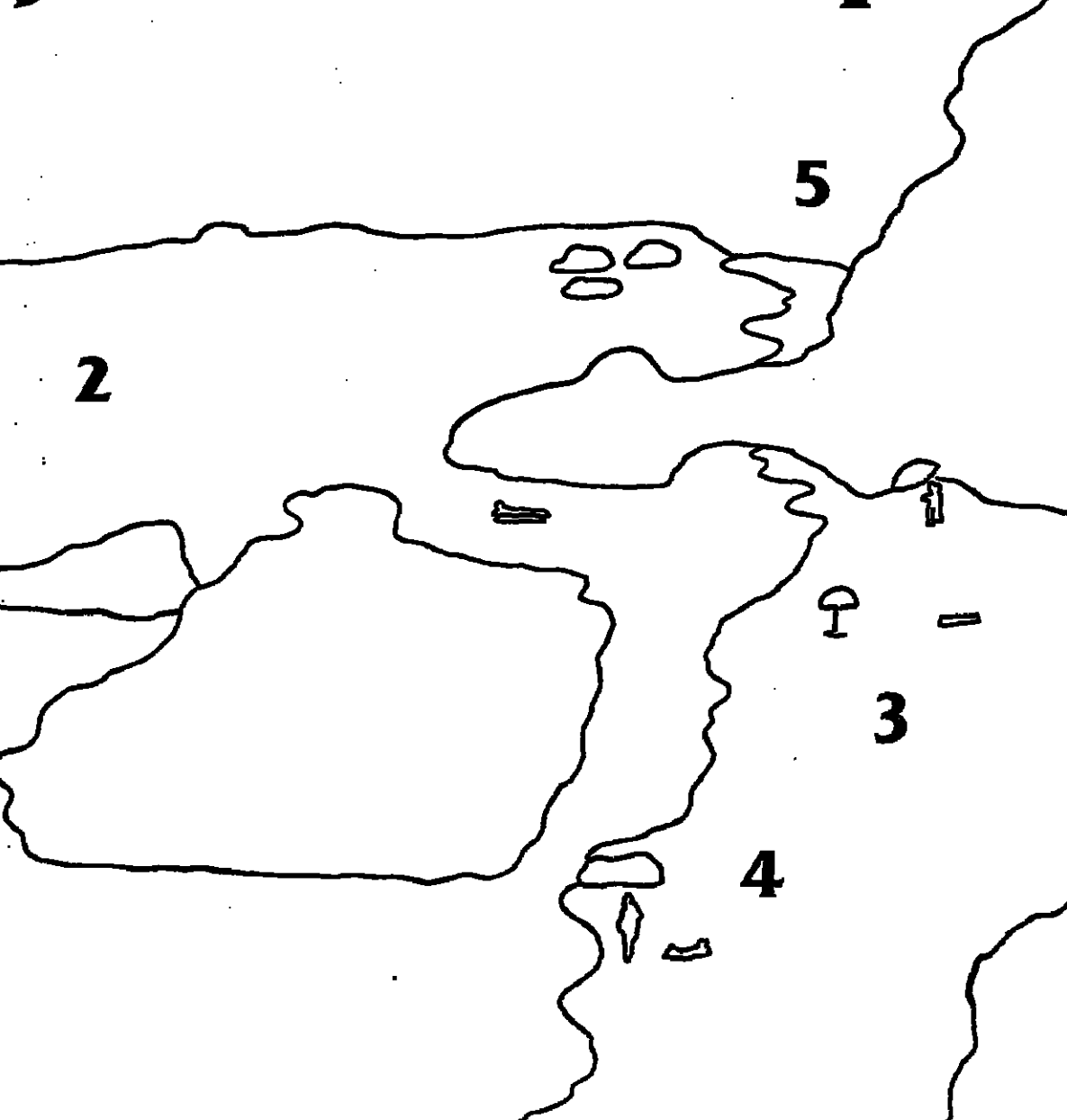


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IBERIA

The prickly neighbours



Dr Mário Soares, the new Portuguese Prime Minister, (right) and his Spanish counterpart, Señor Felipe González, at a previous meeting in Madrid: can the two Socialist leaders improve relations between their countries?

Portugal and Spain set maximum store on joining the European Community yet both persist with a barren policy, rooted in history, of turning their backs on each other. Relations between Lisbon and Madrid are at a new low.

When Senhor Jaime Gama, Portugal's new Foreign Minister, met Señor Fernando Morán, his Spanish opposite number, in Bonn last month he received a promise from the Spaniard of a fresh effort to improve relations as soon as possible.

An outsider might think an improvement the least two Socialist politicians from the Iberian Peninsula could set themselves as a goal. But national interests on both sides and folk memories could well prove stronger and defeat them. A meeting between President Eanes and King Juan Carlos has been quietly put back until some progress on the ground emerges.

A trade dispute between the two nations has been dragging on for more than a year. A fishing conflict with both sides kept out of each other's waters has been allowed to continue six months after an existing agreement expired.

Portugal's fears of a dominat-

ing role by Spain if Madrid decides to join Nato's military organization have only been stilled because of the Socialist Government's decision to "freeze" Nato integration until after a referendum, probably in 1985.

Cultural exchanges are virtually non-existent and no market exists for private initiatives to prove the Governments have got it wrong.

From President Eanes down to the man in the street, the idea that Portugal's "big brother" might take over responsibility for the defence of the Iberian Peninsula under Nato is seen as reversing all Portuguese history since independence was achieved from Spain in the seventeenth century.

The Spaniards made things worse when preliminary talks about military integration were discreetly held before the Socialists arrived in power, by demanding a Nato command for themselves from the Canaries to the Balearics.

Portugal's then foreign minister replied publicly, declaring Lisbon would have no objections if the Spanish Canaries were brought under Iberian, the Nato command based on Lisbon and headed for the first time, since last year, by a Portuguese admiral.

Señor Morán recently judged it necessary to give an assurance that Spain had no intention of constricting Portugal's Nato role. But doubts exist in Lisbon about how far the Socialist Government will go in curbing the Spanish generals' "strategic thinking".

The Portuguese desire to play a bigger role in Nato has just been stressed by the new coalition Government floating the candidacy of Senhor Yasco Futscher Pereira, the previous foreign minister, as future Nato Secretary General.

However the Nato planners may draw the command structures, a basic Portuguese resistance stems from awareness that the country stands to obtain less in military assistance from its richer Nato allies when Spain's armed forces can put in their hefty demands for modernization.

Diplomats from the richer Nato countries in Lisbon privately admit Portugal has never been generously treated, though the United States enjoys a vital Atlantic base on Lajes, in the Azores, and is now negotiating for four new mainland installations.

Portugal's trade with Spain shows a four to one imbalance in favour of Madrid. Unlike

Ireland, which prepared for EEC entry by opening up to Britain, Portugal is reluctant to negotiate with Madrid the second phase of a 1980 Efta agreement supposed to provide a framework for trade between Spain and Portugal before EEC entry, maintaining that Spanish exports have poured in. Madrid replies that Portuguese exports, textiles, paper pulp, shoes, tinned fish and wines, are uncompetitively priced or already "coals to Newcastle".

But it is the fishing dispute which really conveys the intransigence based on typically differing perceptions by the two nations.

Official "reminders" by Madrid of the importance of the Spanish market for Portuguese fishermen or of Portuguese dependence on Spanish electricity supplies, especially in times of drought, have gone down very badly.

Relations between the two countries' top fisheries negotiators have even been personally tense, with Lisbon's Secretary of State once protesting that the Spaniards were so aggressive that they wanted to come in fishing on to the Algarve beaches, right under the tourists' noses.

Richard Wigg

EX-TERRITORIES

On the road back to Africa

Portugal's foreign policy can be said to be one of the few political areas which remains relatively unaffected by continuous changes of government. Successive administrations may introduce differences in style, but basically the four cornerstones of its policy remain the same: to join the European Community, fidelity within Nato, to look after Portuguese emigrant communities' interests and care for Third World countries - especially in Africa.

Traditionally, Portugal has looked outwards in order to solve its internal problems. When Brazil gained independence in 1822, Portugal developed its African colonies. But when, following Portugal's 1974 Revolution, those colonies were granted a hasty and poorly-planned independence, not only were they left to the mercy of extreme left-wing elements, but Portugal was left with internal problems and no overseas outlets with which to solve them.

As the revolutionary dust has begun to settle in Portuguese Africa, so Portugal has set about re-forging links with its five ex-colonies of Angola, Mozambique, Guinea-Bissau, Cape Verde and São Tomé e Príncipe. The degree of success achieved

is in no small part due to the efforts of the President of Portugal, General Ramalho Eanes, whose visits to Mozambique in 1981 and to Angola in 1982, backed-up by similar visits from the then prime minister, Senhor Pinto Balsemão, set the seal on Portuguese overtures of friendship.

Both Portuguese and African economic difficulties have necessarily restricted the level of commercial cooperation, but the Africans feel at home seeking advice from people who speak the same language and know and understand their everyday problems. Improved relations have meant that Portugal can be considered a country worth consulting on questions relating to the problems of southern Africa, although the Portuguese foreign ministry prefers to play down this aspect, feeling that whatever success it may achieve in an intermediary capacity is due to the fact that it is not out to impose any particular line of thinking.

While commercial relations with the three smaller ex-colonies have continued more or less at the level of pre-independence days, in Angola and Mozambique the two years following independence brought

trading almost to a standstill, with signs of recuperation becoming evident from 1978 onwards. Portugal now has commercial agreements and lines of credit with all five countries. Several commercial ventures are under way, some of them joint-ventures with, among others, the EEC, France and Sweden as partners.

In Angola, Portugal is cooperating in the modernization and enlargement of the Cambambe Dam. Fifty per cent of the planned \$150m contract is scheduled to be paid in oil. Contracts in the tourist sector have already been signed and Portuguese tourist authorities are hopeful that they will play a major part in the development of tourism in Angola. Agriculture, transport and commerce are other areas benefiting from Portuguese cooperation. A record was established in 1981 for Portuguese trading in Angola with a trade balance of 12,902m escudos. However this was halved in 1982 due to Angola's internal difficulties.

In Mozambique, a contract is now being finalized calling for a Portuguese/French/Canadian venture to recoup the 400 miles of railway line from Nacala to Malawi. Again Portuguese cooperation is evident on

agriculture, building, commerce and transport and on the military side there are low-level plans in such areas as the provision of uniforms.

Portuguese/Mozambique relations took some time to get off the ground and a real improvement has only been seen in the past three years. As a Portuguese diplomat put it: "The more peaceful these countries are, the more they can turn their attention to being independently nationalistic. The more they feel threatened, the more they resort to idealistic rhetoric and pull back under the Marxist umbrella."

With 600,000 Portuguese in South Africa, Portugal also enjoys good formal relations with that country. Maintaining good relations there is considered imperative if Portugal is to assist in any way in southern African negotiations.

After 500 years of being in Africa, many Portuguese feel so close to their ex-colonies that they welcome a chance to work there again, not just for commercial reasons for they are aware of Portugal's financial limitations, but also because they still desire to be part of African development.

Susan MacDonald

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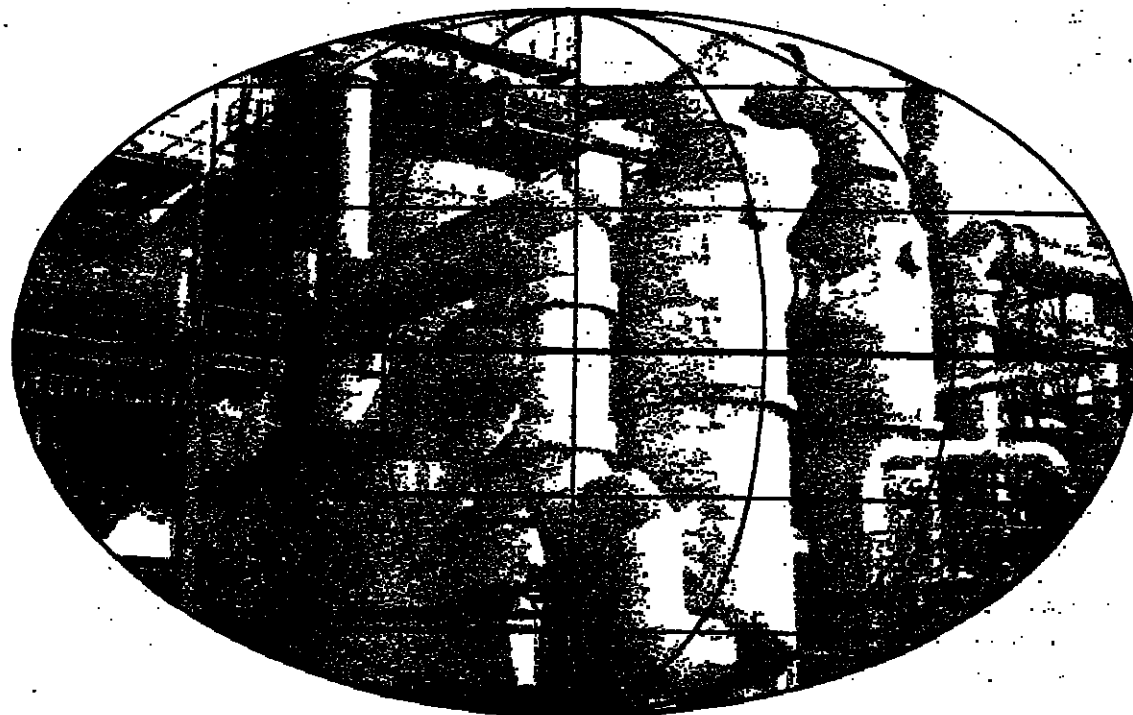
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PORTUGAL

THE TIMES THURSDAY JULY 14 1983

AGRICULTURE

Getting away from medieval methods

This year Portugal will import over half of its food; 20 years ago it was self-sufficient and agricultural exports then covered 100 per cent of agricultural imports. Today exports cover only 27 per cent.

There are many reasons for this. Despite Portugal's green and pleasant look, only 27 per cent of its land is good for farming. In addition, it suffers from backward costs, emigration and nearly a decade of unstable governments with conflicting agricultural policies. The agricultural growth rate has been negative since 1970.

When domestic demand rose sharply because of large wage increases after the 1974 Revolution, a surge of emigrant remittances and an increase in the consumer market by a million refugees from Portugal's former African territories, the country's stagnating agriculture was unable to meet the demand.

It cannot, either, meet the demands which will be put on it if Portugal enters the European Economic Community. The new Socialist-led Government is determined to enter in spite of the fact that the country's agricultural sector is among the least productive in Europe. The Government has an ambitious programme for transforming the medieval structure of agriculture. It promises to support "viable agricultural enterprises" - preferably large, privately owned ones - and farmers' associations. Among a host of other things, the programme promises to create land banks for farmers, revise the rural rent law, bring prices progressively up to EEC levels, install a system of collecting, storing and distributing products and pass a new law to change direction in agriculture.

Unless dramatic changes are made, Portugal's non-competitive agriculture will be threatened by products from the EEC. For example, its olive oil industry could be virtually wiped out by a flood of cheap vegetable oil from the Community. To avoid this, talks are at present being held on a proposal for a transition period of from four to 10 years for sensitive agricultural products.

Senhor Sevinato Pinto, of the planning department of the Ministry of Agriculture, said: "Some people believe that

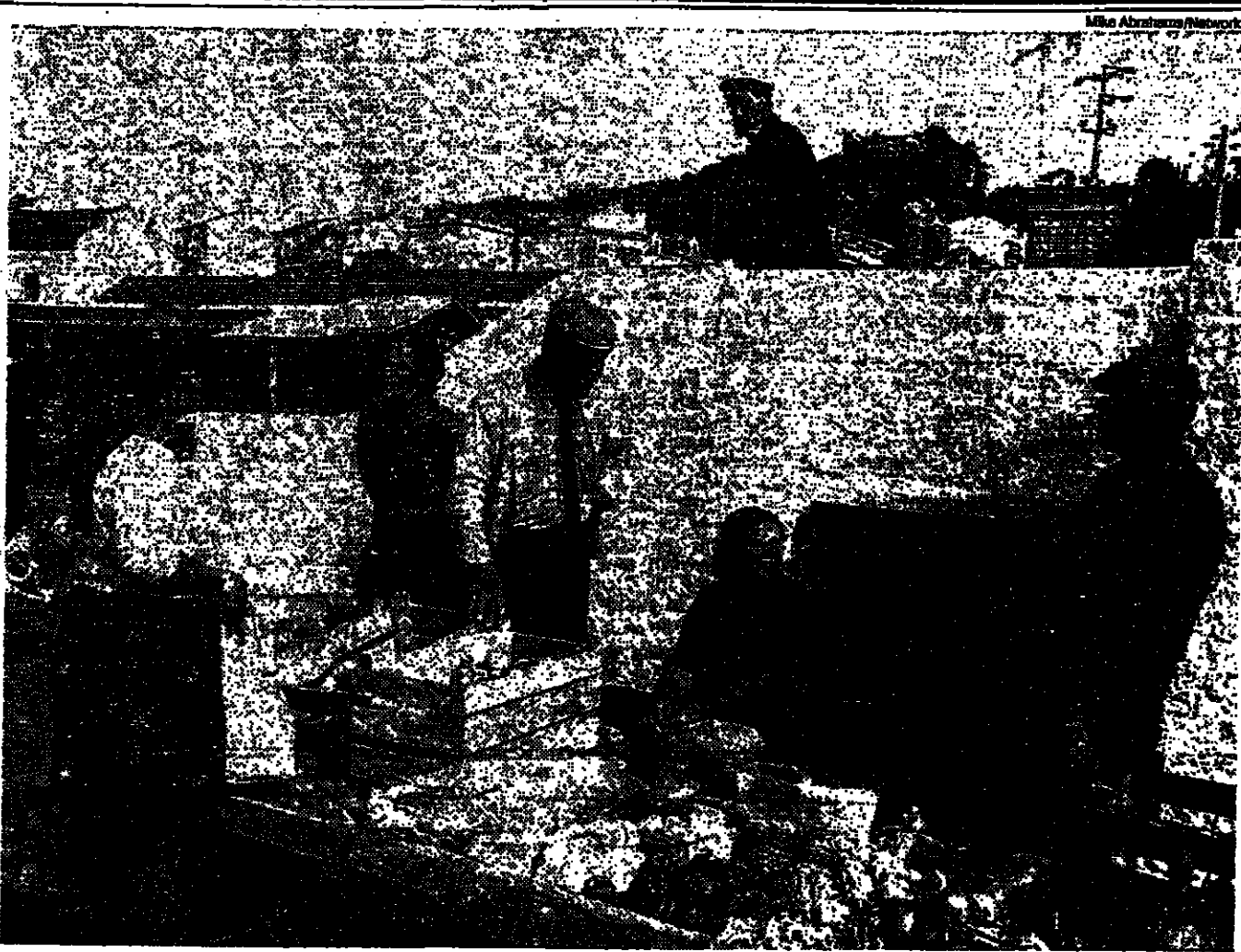
joining the EEC will force us to evolve, but the impact will be negative if we don't react". Portuguese products, on the other hand, pose no threat to the EEC. Even though Portugal is the fifth largest wine producer in the world, its production would amount to only 5 per cent of the total wine production in a Community of 12. Its exports of tomatoes, almonds and onions are minimal. Portuguese negotiators point out these facts to the EEC in support of their claim that Portugal should be allowed to enter on different terms from those applying to Spain, whose products do present a threat.

Several projects are under way to improve agriculture, and some changes are evident. Electricity now reaches many remote areas. Farmers are being encouraged to form cooperatives. An agricultural college, sponsored by Britain, the United States, Norway, and Holland to prepare agricultural technicians, now has 600 students. Production in the north of the country has slightly improved through the use of better seeds, hybrid corn, fertilizers and limestone to neutralize acid soil.

Although young people still tend to leave the land, young farmers are tentatively returning, encouraged by better conditions, a lack of jobs in the cities, and prospects of eventual emigration.

The north of Portugal has a five-year regional development plan backed by \$51m from the World Bank and an equal amount from the Portuguese Government. Its purpose is to improve and expand port wine growing, provide more irrigated land and more pasture for cattle and plan crop rotation. A second project backed by the World Bank is aimed at improving forestry all over the country. A third project, sponsored by the EEC, aims to prepare the wine and milk industries for accession by implementing the RICA accounting system required for EEC members.

Loans from the European Investment Bank and credit from Dutch and German institutions are also being negotiated. The United States is financing a project to correct acidity in the soil and British



Street market in Nazareth, the fishing village and resort in central Portugal: without dramatic changes, the country's non-competitive agriculture would be threatened by Common Market membership

consultants are being called in to study the possibilities of the Douro river basin. The latter project is being financed jointly by the British and Portuguese Governments.

Northern Portugal is mountainous and the farms are small - 50 per cent have less than two hectares. One farmer may own a number of isolated plots scattered about the countryside. Farmers cling to traditional methods and are reluctant to cooperate with each other. Only the wine and dairy farmers have marketing associations.

Although emigrants have poured back enormous sums of money, it has not gone into productive investment. "First they put their money into building a big house, then they put it into more land to gain status", Professor Luis Valente de Oliveira, who is in charge of development in the north, says.

In the south, particularly in the Alentejo, the land is flat, dry and arid, and the soil is poor. Before the 1974 Revolution, there were vast estates, mostly underfarmed, belonging to absentee landlords. Many families of seasonal workers squatted on the land in abject poverty. After the Revolution, the Communist Party led them in taking over more than one million hectares of land to form

TOURISM

Putting hotels in the right places

The tourist industry in Portugal accounts for about 5 per cent of gross national product. According to provisional Bank of Portugal figures, tourist receipts in 1982 amounted to 69,758m escudos. In recognition of this, the new Minister of Commerce and Tourism has acknowledged the economic importance of the industry and his intention to treat its problems accordingly.

Despite tourism's economic role and its importance in providing employment, it has suffered from a lack of central and co-ordinated regional planning which has resulted in a mushroom construction of hotels and holiday homes in a few main tourist areas while, until now, the rest of the country has been poorly equipped.

There are about 300 hotels in the whole of Portugal, of which about 60 per cent are concentrated in the four towns of Lisbon, Faro in the south, and Porto and Braga in the north. In some parts of the Algarve in particular, haphazard speculative building has not been accompanied by a similar growth in infrastructure, with the result that de-luxe hotels can be seen functioning in the middle of a wasteland.

Lack of access roads and amenities can be coupled with another more serious shortage - that of water. Dry winters over the past few years have caused serious scarcity during the summer. Plans to construct two more dams on the western and eastern side of the Algarve will go only part of the way to solving the problem.

Over-speculation has meant that tourist units begun eight to ten years ago still remain unfinished. Some hotels have been changed while under construction into private apartment blocks to avoid being recognized by the tourist authorities and therefore subject to

taxes. If a private citizen then rents his apartment for tourist purposes, it does not necessarily come under official control.

This not only stunts the growth of the official tourist industry but also makes possible situations such as the deaths of five British holiday-makers in the Algarve last winter as a result of faulty gas installations. After considerable bumbling when the facts were known, the authorities then undertook the mammoth task of inspecting the gas installations of all 6,000 officially recognized holiday homes, although they have no authority to inspect the others. Every one of the installations examined was in some way sub-standard.

A certificate is being issued to all units whose gas installations are up to standard, and the authorities suggest that both travel agencies and tourists ask to see these certificates when renting accommodation. Officially, it is said that not only have the deaths not affected the number of British visitors to the Algarve this year, but that the figure has increased. However, reputable travel agencies admit that the figure has dropped considerably because of the initial failure of the Portuguese authorities to demonstrate their willingness to put tourists' minds at rest.

The other main tourist area on the mainland embraces Estoril and Cascais on the outskirts of Lisbon. Its role as a summer resort is in conflict with its role as a Lisbon dormitory town. Both the connecting railway line and road which run along the attractive coastline are congested in the rush hour, and a lack of pedestrian crossings on the road in some places makes reaching the beach dangerous.

Again, shortage of water and sea pollution are problems to be overcome. Around the headland north of Cascais stretch miles of beautiful beaches and unspoiled scenery but the winds off the Atlantic account for the lack of tourist development in this area.

Two of the most beautiful tourist attractions in Portugal are the islands of Madeira and the Azores. Madeira is the more touristically developed, thanks to its position nearer the mainland, but the Azores, well-known to Atlantic sailors, are starting to be developed despite their tendency to seismic activity.

Facing the truth

continued from page 15

The nationalized sector had suffered from piecemeal management and over-stuffing since the nationalization programme after the 1974 Revolution. The consequences of this policy have brought state industries such as Air Portugal and the shipping firms of Lianave and Setenave to the verge of bankruptcy. Lianave has suffered a series of communist-backed strikes which have all but crippled the company and resulted in the non-payment of workers' salaries. The civil construction industry, too, has declared itself on the edge of collapse and blamed among others the thriving clandestine building developers in Portugal.

Corruption and moonlighting are part of everyday life. It is estimated that the parallel economy accounts for about 20 per cent of domestic production, with contraband being one of the foremost activities. Absenteeism is another blight on productivity and one which the Government declares itself determined to combat.

The future for Portuguese industry lies in its ability to adapt to the competitiveness of European integration. Over the last 18 months some industries, such as the important textile sector, have begun to realize the economic consequences of joining the EEC and first steps are being taken to modernize and streamline production.

One of the only rays of sunlight in an otherwise gloomy panorama is the pyrites exploration taking place in the Alentejo region by the firm of Somincor.

Somincor, with a 51 per cent interest held by a Portuguese state company, and 24.5 per cent held by each of two French companies was formed in 1980, after the discovery of high grade copper ore. Extraction from the Neves-Corvo mine should begin in 1986, with a projected yearly average of a million tonnes of copper ore.

It is, as yet, unclear whether the smelting plant planned at the Sines industrial complex will be completed in time to treat the first copper concentrates, but if not, they will be exported for smelting. Lloyds Bank International is handling the international financing of this important \$200m project. Present domestic imported copper consumption will account for only a third of the mine's final output. Other companies, including British ones, are prospecting in the area, but so far with no definite results.

Susan MacDonald

SM

Martha de la Cal

PORTUGAL AND THE EUROPEAN COMMUNITIES

PORTUGAL has always been an active partner in European economic integration. She was a founding member of EFTA; with the first enlargement of the Community and owing to the importance of the British market to Portuguese external trade, Portugal, as well as the other non-applicant EFTA countries, concluded on 22 July 1972 a bilateral Free Trade Agreement with the EEC. The purpose of these agreements was the establishment of a free trade area for manufactured products, for the period 1973/77, thus preventing liberalization from regression.

The setting up of a democratic system in Portugal in 1974 was accompanied by the tightening of the existing links with the EEC, our major trade partner (see Table). Besides this, the Community decided to grant aid to Portugal in the form of:

- an emergency exceptional financial aid (decided on 10 October 1975), the EIB having made available to Portugal credits to the amount of ECU 150 million, with subsidised interest, for the financing of infrastructure and agricultural projects in 1976 and 1977;
- an Additional Protocol to the Free Trade Agreement of 1972 and a Financial Protocol both signed in Brussels in September 1976. In the Additional Protocol, the Community, in order to facilitate Portuguese exports, made additional tariff concessions in the industrial and agricultural fields, and Portugal was authorized to reintroduce certain customs duties so as to further protect her most vulnerable industries. The Financial Protocol included an ECU 200 million aid in the form of EIB loans, scheduled over a period of five years (150 million at subsidised interest) to finance investment projects intended to increase industrial productivity and improve infrastructure.

As the Paris and Rome Treaties expressly provide that the other European States which share the ideals of EEC member-countries may accede to it, Portugal, on March 22, 1977, submitted its request for full membership in the EEC, a political choice which reflected the concern for consolidation of the Portuguese democracy. The several institutions of the Community issued their favourable opinion to our accession and decided to grant aid in support of the economic restructuring of Portugal through:

| TRADE FLOWS BETWEEN PORTUGAL AND THE EUROPEAN COMMUNITIES | | | | |
|---|--------------|--------------------|--------------|--------------------|
| Years | Exports | | Imports | |
| | Million US\$ | % of Total Exports | Million US\$ | % of Total Imports |
| 1970 | 395.9 | 41.6 | 756.2 | 48.3 |
| 1974 | 1,097.8 | 48.2 | 2,022.1 | 43.5 |
| 1978 | 1,368.6 | 56.6 | 2,402.7 | 45.9 |
| 1979 | 1,995.2 | 57.3 | 2,731.7 | 42.8 |
| 1980 | 2,546.9 | 54.9 | 3,686.6 | 39.5 |
| 1981 | 2,229.0 | 53.8 | 3,716.3 | 38.1 |
| 1982 | 2,694.1 | 57.2 | 4,325.7 | 40.7 |

Sources: IMF, Direction of Trade Statistics.

- a Supplementary Protocol to the Free Trade Agreement (signed on 19 December 1979) which contemplates measures to protect the Portuguese industry and an easier access to the EEC of some domestic products;

- the accelerated implementation of the Financial Protocol (decided on 15 January 1980) with a two-year reduction in the period initially established for the utilization of the overall amount;

- a pre-accession aid to support the country's integration (signed on December 13, 1980) to the amount of ECU 275 million, of which 150 million in the form of an EIB loan (125 million with subsidised interest) and 125 million in the form of nonrepayable aid, out of the Community Budget.

The negotiations for Portugal's accession to the EEC formally started on 17 October 1978. In the first ministerial meeting, it was agreed that the negotiations would continue on the basis of the acceptance by Portugal of the "acquis communautaire" and consequently that the adjustment problems on both sides would be solved by transitional measures.

The negotiations began to bear the desired results in 1982, a preliminary consensus having been reached on 22 February on 5 Chapters: Capital Movements, Exports, Imports, Economic and Financial Matters and Regional Policy. On 21 June agreement was reached on three major issues included in the 2nd package, with the definition of the transitional periods for VAT, the Foreign Direct Investment system, and tariff dismantling in the industrial sector. In September, five major files were almost entirely closed - Customs Union, ECSC, External Relations, Tax Provisions and Right of Establishment - and the negotiations advanced to the third stage. Thus, the remaining issues are institutional and legislative matters and the chapters on Social Affairs, Budget Affairs, Agriculture and Fisheries, the last two directly connected with the process of internal reform which the Ten have been discussing for quite a long while; as far as Agriculture, agreement among the Ten has still to be reached.

The setting up of a concrete timing for Portugal's integration in the EEC would be of major importance, even if a few transitional periods were considered. As a matter of fact, a precise time-table for accession would reinforce general confidence and stability, thus providing an additional stimulus to Portuguese businessmen in their efforts towards modernization. Under these circumstances, it is clear that a minimum consensus among the Ten on the future organization of the Community Budget and of CAP is of crucial importance for Portugal.

The largest contribution of Portugal's accession to the EEC shall be the strengthening of its role worldwide, due to Portugal's policy of openness to foreign countries and to its historical relations with countries in Africa, Latin America and the Far East.

The major consequences for Portugal of its full membership in the Common Market are, on the one hand, the defence against protectionism, which in recent years has been adversely affecting national exports, and, on the other hand, the financial aid that the EEC may grant and which will become the catalyst for the modernization of productive structures. Of course this last aspect heavily depends upon the existence of viable projects, a prerequisite to take full advantage of Community funds; Portuguese authorities are well aware of the efforts to be made on this matter.

However, substantial changes are required for the accession to have the positive results we are aiming at; these changes should be made as soon as possible. That is an area in which foreign investment will have an important role to play. The integration of Portugal in the most free trade area of the world will also be an incentive for foreigners to invest in Portugal, a country with skilled workers and where labour costs are comparatively favourable.

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|------------|-----|-----|-----|-----|------|
| Ridge | 109 | | | | |
| Cred | 86 | -4 | | | |
| Relations | 100 | | 9.3 | 1.3 | 39.9 |
| Dance/Wine | 365 | -10 | 7.1 | 2.0 | 18.3 |
| Guitar | 183 | | 6.6 | 4.4 | 12.6 |
| Base | 100 | | 2.9 | | |
| Record Nat | 39 | | 2.7 | 1.3 | 20.8 |
| Abrnrd | 126 | | 2.8 | 1.0 | 16.6 |
| ward | 121 | | 2.8 | 1.8 | 29.3 |
| Sources | 100 | | 0.8 | 0.8 | |

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 New York: Dow Jones Average (latest) 1193.91 down 4.61
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 Amsterdam: Index 143.8 down 2.4
 Frankfurt: Commerzbank Index 955.80 down 9.6
 Sydney: A O Index 621.8 up 1.6
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 INTERNATIONAL
 ECU \$0.574181
 SDR \$0.692737

INTEREST RATES

Domestic rates:
 Base rate 9%
 Finance houses base rate 10%
 Discount market loans week fixed 8%
 3 month interbank 10-9%
 Euro-currency rates:
 3 month dollar 10%
 3 month DM 5%
 3 month FF 14%
 US rates:
 Bank prime rate 10.50
 Fed funds 9%
 Treasury bill bond 9 1/4-9 1/2%
 ECU Fixed Rate Sterling
 Export Finance Scheme IV
 Average reference rate for interest period June 8 to July 5, 1983, inclusive: 9.978 per cent.

GOLD

London fixed (per ounce): am \$426.50; pm \$427.25 - close \$425.50
 New York latest: \$427.25
 Kruggerand* (per coin): \$436-\$439.50 (\$286-\$287)
 Sovereigns* (new): \$100-\$101 (\$25.25-\$26)
 *excludes VAT.

Profit hope for Ratners

Ratners, the jewelry chain, suffered a pre-tax loss of £350,000 for the year to April 6, against a profit of £891,000 for the previous 12 months. But the loss for the whole year shows a substantial improvement on the £1.1m setback for the first half, and a profit is forecast for 1983-84.
 Trading has gained momentum since Christmas and continued to be strong in the first financial year. So the board is recommending that the final dividend be held at 2.33p gross, also the same for the year.
 After tax, losses were reduced to £325,000 after an extraordinary gain of £108,000 from property disposals, and Ratners managed to restrict the increase in overheads to 6 per cent. Total sales were marginally up at £25.9m.

● POSGATE SUSPENSION: Lloyd's of London said yesterday that a sub-committee of the council of Lloyd's had decided to issue to Mr Ian Posgate a further direction of administrative suspension. The further period of administrative suspension will be for five months and will be effective from July 26, when the existing direction expires.

● BUNZL TERMS: Following exchange of contracts Bunzl, the packaging, paper, filters and distribution group, yesterday issued a letter to shareholders outlining the terms of the proposed acquisition of the packaging consultants, Inc/Mac-Pak Group of companies, announced on May 11.

● AIRLINES DISPUTE: Government intervention in the transatlantic dispute over a £600m American lawsuit against world airlines including British Airways and British Caledonian will be challenged in the Court of Appeal.

Privatization success maintains impressive growth record

Cable and Wireless beats all City forecasts with 76% climb in profits

By Wayne Lintott

Cable and Wireless, one of the Government's first major privatization sales in 1981, has maintained its impressive growth record by easily beating the best of the City's profit forecasts for its full year figures.
 The company reported pretax profits soaring by 76 per cent to £157m for the year ended March, 1983, against £89m the year before. A one-for-two scrip issue is an added bonus for shareholders who also receive a final dividend of 5p making a total of 8.2p for the year, up from 6.6p the year before.

The Government still owns 50 per cent of the issued capital, plus one ordinary share, and has stated its intention to maintain its majority shareholding. On the issued capital, the Government stands to net

around £10m on the dividend payment.
 With 270m shares issued - the Government supports the board - Cable & Wireless could become a prime contender for any Government sell-off of private assets to help bring the Government's spending and borrowing requirement back under control.

Mr Ernest Potter, finance director, said he was not surprised by analysts' failure to come anywhere near the Cable's profit performance. The highly complex nature of the business made it extremely unlikely that they would ever be able to predict the outcome accurately.

Mr Eric Sharp, chairman, did sound one note of warning: "The profits for the current year



Sharp: sounded one note of warning on present year's figures

will not be significantly different from last year's.

sterling at last year's higher exchange rate, pretax profits would have been £11m lower.

But Mr Sharp did dismiss City claims that much of this year's profit derived from gains made on the company's £100m cash holding.

He said that far too much importance had been placed on the cash holdings. That amount had not grown over the year and much more was earned on trade than was earned by interest payments. "And anyway," said Mr Potter, "the City is mistaken in its belief that money was all on deposit. Much of it had been used in the company's leasing agreements and working capital requirements."

The increase in profits, Mr Potter added, was a direct result of the reorganization of the last two years which placed greater

profit responsibility on area managers.

Mr Sharp was emphatic that the talks between the unofficial cabinet of Hongkong and the British Prime Minister would not exercise an influence over the company's increasing exposure to Far East trade.

The People's Republic of China already owned 51 per cent of the new company which would be handling the communications of the major oil companies exploring in Chinese waters.

Mr Sharp added that the annual report, to be issued on April 9, 1984, would deal with several points not covered in this statement.

C&W shares jumped 27p to 424p a share, which means the Government could raise £375m if it chose to sell its holding.

Latest gilt tranches likely to appeal

By Peter Wilson-Smith, Banking Correspondent

The Bank of England took advantage of another stable day in the gilt market to announce two tranches of existing Government stock. The tranches, £300m of 10 1/2 per cent Exchequer 1997 and £200m of 11 1/2 per cent Treasury 2001-2004 will be available from tomorrow but will not be operated as a stocks.

The City has been waiting nervously for a resumption of gilt sales in the belief that the Government has fallen behind in its funding programme. In Tuesday, the remains of the 2 1/2 per cent index-linked convertible 1999 were sold out after the Government broker cut the price, but dealers reported heavy switching out of other stocks.

However there was some optimism yesterday that the two latest tranches would break the logjam and would be well received.

For the first time since November 1981, the Government is making a conventional issue maturing beyond 2000, and this is expected to appeal to long-term funds.

"The Government has clearly recognized that there is an

appetite for longer dated stock and a one-for-two scrip issue, one dealer said yesterday.
 After Tuesday's rally, the gilt market recovered earlier small losses yesterday and in quiet trading ended the day with gains of about 1/4 at the long end of the market and short-dated stocks unchanged or marginally easier.

By making the new tranches available from tomorrow the authorities will be hoping to soak up funds from the non-bank private sector before the end of the banking month next Wednesday. This would help to take some of the steam out of money supply growth which has been running well above government targets.

For some time the Government has been steering clear of the long end of the bond market in an attempt to encourage the corporate sector to move into the fixed interest debenture market and because it did not want to issue high-yielding, long-dated stock when inflation was expected to stay low.
 However, the City still believes that the Government may be forced to make further issues of long-dated stock if it is to satisfy its funding needs.

Brazil confident of extension

Brasilia (AP-Dow Jones) - The Brazilian Government's three top economic leaders met yesterday with bankers from the International Monetary Fund to iron out differences and come up with a compromise to release a \$411m loan.

The meetings took on extra weight this week when the Bank for International Settlements said it would not extend Brazil's Friday deadline to repay \$400m. The government has refused to comment on its plans for repayment or elaborate on the substance of the talks.

The IMF money, which was due at the end of May, was postponed because of Brazil's failure to follow the agreed economic outline. Inflation, now running at about 127 per cent, is almost 40 points higher than promised. Public sector over-spending was \$1bn for the first quarter of this year.

The BIS loan was extended until the end of June after the IMF delayed the \$411m loan. It again gave Brazil another 15 days. But the BIS said on Monday that it would not extend its repayment time.

Despite Dr Fritz Leutwiler, president of the BIS, saying that Brazil would not get another extension, Senhor Eramme Galves, Brazil's finance minister, said yesterday in Caracas that he was expecting a favorable decision from the BIS. He said he was waiting for the BIS board to meet - but it does not meet until September.

And sources close to the BIS said it was highly unlikely that Dr Leutwiler would have taken a hardline position against Brazil without the full assent of his board.

Monetary sources noted, however, that the central bank's involvement in making high-level BIS decisions such as an extension of a loan to Brazil, are a matter for the government and that a decision could probably be reached quickly outside the confines of the regular board meeting.

If Brazil does not come up with the money, there would not be a "moratorium" or "default". A moratorium would have to be declared by Brazil, and default is an action by the lender.

Brazil has been hit by strikes in protest against government measures and by severe rain storms in the South that threaten billions of dollars in losses to crops. The strikes were sparked by state-run oil refinery workers who said that the Government's plans to cut public sector spending would lead to job lay-offs.

The plans call for salary cuts and reductions of benefits, but does not apply to any of the thousands of workers employed by the Government. The workers reasoned that the companies would fire veterans and employ new workers. The average worker earns less than \$150 a month.

In recent months, the Government has also raised some taxes, lifted the price of petrol 45 per cent and devalued the country's currency by 23 per cent to encourage exports.

The country has a foreign debt estimated at \$90bn.

International Signal in new rights issue

By Philip Robinson

International Signal & Control Group, the American-based electronics weapons company, yesterday asked London investors for more cash. It is the group's second big fund-raising exercise in less than a year.

Since International Signal came to the London market last October, it has raised £76.25m, from non-American investors. Americans are barred from owning the shares.

When the group came to market, it raised £30m via an offer for sale. Now it is raising £43.5m, partly to buy a US-based defence company and partly to pay off four directors and two shareholders who took on \$20m worth of debt before International Signal went public.

The company is first giving shareholders one free share for one already owned and then offering 34.6 million new shares for sale to the public at a minimum tender price of 125p. Of those shares, 10 million are being bought from the directors and shareholders who took on past debt.

The remaining shares will be sold to finance the £28.4m purchase of the Marquardt Company, a California-based weapons group, whose largest customer is the US Defence Department.

IN BRIEF

● ANGUSTUS OFFERS: Offers were already coming in yesterday for parts, or all of Augustus Barnett, the 240-branch winchop chain which collapsed on Monday when directors requested National Westminster Bank to appoint a receiver. A full statement on debts has yet to emerge from the directors.

● TRAFALGAR MOVE: Mr Nigel Broadbent, chairman of Trafalgar House, said the company intended to pursue the acquisition of peninsular and Oriental Steam Navigation Co. (P&O) "with vigour". He reiterated Trafalgar's view that a merger would benefit both companies.

● STORE SHAKEUP: S and U Stores, Birmingham-based consumer credit group, is asking shareholders to approve a capital reorganization which will allow it to waive arrears of dividends payable to holders of its preferred ordinary shares of £855.203. The directors say the company's progress is being handicapped by these contingencies and that repayment of loans by directors to the company and the dividend arrears would seriously weaken the group.

● OVER SUBSCRIBERS: New Issue DPCE Holdings, the Wokingham-based computer maintenance company, announced that its offer of 3,869,000 5p shares - about a third of the capital - was oversubscribed 2.7 times at the striking price of 200p. The employees took up their full allocation of 101,554 shares subscribing over £200,000 in new capital.

Magnet chief predicts upturn

Demand for building products is going from strength to strength, according to Mr Sam Oxford, chairman of Magnet and Southern, the timber group.

Since the beginning of May, the sales volume of the joinery products group, had risen by 14 per cent, Mr Oxford said. "Things are considerably better than a year ago. We have spent a lot of money getting ourselves ready to cope with such a sharp upturn and we may well now be on the threshold of such a scene."

Mr Oxford was reporting figures for the year to the end of March, which shows that the group exceeded the forecast of pre-tax profits of not less than

Magnet and Southern
 Year to 31.3.83
 Pretax profit £24.59m (£19.1m)
 Stated earnings 9.8p (7.4p)
 Turnover £161.58m (£136.35m)
 Net final dividend 2.5p (3.3p)
 Share price 156p down 10p Yield 3.6%

£24m made at the time of the £27m rights issue in February. Profits rose from £19.1m to £24.59m on sales up by 19 per cent to £161.58m. The group cites the upturn in housing starts, completions and refurbishment work as the main reason for buoyant trading. The branch network, which already this year has been expanded by nine with a further 15 planned before the end of next March,

has also boosted trade.

"Providing there is no catastrophic round the corner our prospects for this year and for the future are very good," added Mr Oxford. However, in the stock market, which has grown used to buoyant results from companies in the building materials sector, Magnet and Southern shares fell 10p. The company is to build a new factory for timber components and roof trusses and has also taken an increase in production kitchen units. A site has been secured for a factory to glass tempering plant commitments on these and the branch opening programme amount to £20m.

Stocks drift lower

New York (AP-Dow Jones) Stocks continued their gradual decline yesterday in sluggish trading.

The Dow Jones industrial average was down about 4 1/2 points to 1,193 in early trading. Declines were 5-to-25 over advances. Mr Keith F. Pinos, research director at Underwood Newhaus & Co, expected sloppy market for a while longer. "The 1,180 support-level in the Dow may not hold. But we have already seen significant corrections in the high technology and more volatile issues so I would be surprised to get a general correction here," he said.

International Business Machines was unchanged at 120 5/8; American Telephone & Telegraph 62 1/2; up 1-8; General Motors 70 1/4; up 1-4; American Express 66 1/8, down 3-8; Allegheny 84 3/8, up 1-8; Honeywell 110, down 1-8; Massonite 44 1/4, down 1-4; Amerasia 29 3/8, down 3-8; Data General 63 3/4, up 4 1/8; Digital Equipment 114 1/2, down 1-8; Baxter Travenol 57 1/4, down 7-8; Merck 57 1/4, down 1-2.

Tandy was up 3-4 to 46 7/8; Superior Oil up 1-8 at 37 1/8; St. Regis Paper up 7-8 at 27 5/8; Texas Instruments up 1-2 to 123 3/4; Aydin Down 1-7-8 to 55 1/8; General Electric down 1-4 at 52 1/4 and CPC International down 5-8 at 37.

● 'Constructive' discussions sufficient to help index's recovery

Hongkong talks boost Hang Seng

By John Lawless

The second day of talks in Peking on the future of Hongkong were described as "useful and constructive" yesterday, and were sufficient to recover a first hour's trading loss of eight points on the Hang Seng index.

It finished just 0.56 off at 1026.55. Combined turnover for the regular half-day session was high at HK\$126.5m against HK\$102.2m for Tuesday's full day.

In the absence of developments - unlikely, given that the talks have been adjourned until July 25 - Hongkong brokers say the market will stay near current levels.

It was left to analysts overseas to take a more dispassionate, longer view - and in London, optimism was obviously growing.
 "Three or four weeks ago, everybody was looking for bad

news", said Mr Chris Langley of stockbrokers Greaveson Grant, "and exaggerating it. Hence the market has been sluggish. Now it had turned right round. People are looking on the positive side."

Early in the year, lack of confidence had sent local money into foreign currency accounts. Manufacturers had not been repatriating cash earned overseas.

This caused the HK dollar to slide to \$8.80 against the US dollar. "Although it had been slightly better, it is now back around 7.17," said Mr Langley.

"The whole atmosphere is totally different. A lot of business in Hongkong is investing."
 Significantly, textiles shares have been performing well - in anticipation of increased orders from an improving world

economy. In the old boom days, second-line property companies would have been next to shift upwards. "And the better ones, those not riddled with debt, have been performing quite well," Mr Langley added.

London institutions have been investing in safe stocks: manufacturers and utilities. But the market has been fuelled more recently by American funds. The most encouraging sign of all is the renewed flow of local funds," he said.

The absence of a significant political statement in the next couple of months could see the market losing 100 points. "If we do get one, though, it could get to go 200," he concluded.

Most brokers agree that, unless the talks founder badly, Hongkong stocks now look a good buy.

"I am a roaring bull," said Mr Toby Heale, partner in James Capel, and that broker's South-East Asia specialist.

But he added the warning: "When the market goes, it will go with a whoosh. One corporate deal will break the log-jam, and once the money-go-round starts, the whole sector will take off."

"A lot hangs on industrial recovery," said Mr Heale, "and here Hongkong is very strong. Firms have orders in hand through to April, 1984 - just like Jaguar in the UK."

Although political pundits have been predicting that a definitive statement of Hongkong's future might be 18 months or two years off, most stock market specialists are now confident that it will be made before the middle of next year.

City Editor's Comment

Amex steps into the supermarket

American Express's \$1bn takeover on Tuesday of the assets of Alleghany Corporation is the latest and largest of a series of purchases the group has made on its way to becoming one of the leaders of the financial services industry.

Only six months ago, Amex spent \$550m buying the non-US part of Trade Development Bank and in 1981 it bought the second biggest New York brokerage house, Shearson, Loeb, Rhoades, for \$930m.

Investors Diversified Services, Alleghany's main asset, gives Amex a big foothold in mutual funds in the US, where IDS has more than \$15bn of assets owned and under management, and also makes it much bigger in life assurance business.

However, the key to the deal is IDS's 4,100-strong sales force. Whereas the last two big acquisitions made by Amex were designed to gain a foothold in

the top end of the market - the high net worth individuals with money to invest - IDS's door-to-door sales force, gives Amex direct access to the mass middle-market in the US. This, Amex reckons, means 33 million households where people earn between \$35,000 to \$60,000.

The interesting point here, though, is that there is no evidence that people in this section of the market want the sophisticated financial services which American Express claim to offer.

What they may want, and what they may be persuaded to buy by the itinerant sales force is more likely to be the typical middling quality insurance and savings programmes. But these, though potentially profitable, are nevertheless a far cry from the jet-setting world of the Trade Development Bank.

The question then is whether the group really can service such a diverse range of customers from the world's richest to the average

Middle West white collar. One suspects that they cannot, that Amex has been seduced by all the talk of financial supermarkets and one stop shopping for financial services, and has lost sight of the difficulties inherent in being all things to all investors.

Castle in the air

It is an adage that when a company moves to a new head office it is time to sell the shares - but seldom has it proved more relevant than in the case of Hongkong and Shanghai Banking Corporation.

Yesterday one of its executives confirmed what the rumour mill had been saying for some weeks - that the new head office building at present under construction in the colony is running massively over budget, and will cost at least HK\$55m (£450m) to complete.

The true figure could be even higher because there are still several outstanding claims to be resolved, with the top range of estimates coming out at more than £700m. Even if the lower figure is closer to the mark, the bank will have spent almost as much on its head office as it offered for the Royal Bank of Scotland, and about as much as it paid for Marine Midland, one of the larger banks in New York.

If the board is embarrassed about this profligate use of its shareholders' money, it is not admitting so in public. So far the case serious economy to have been made in cutting the cost of the structure appears to be in dispensing with the helicopter pad - on the not unreasonable grounds that there is no where in Hongkong to go by helicopter.

That is probably a start - but it is hardly enough to restore shareholders' confidence that the building constitutes the best possible use for their money.

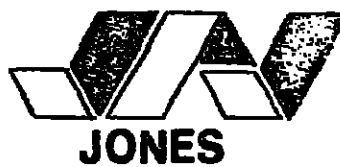
This announcement appears as a matter of record only.

\$85,000,000

Lignite Mine Project Financing For

The Dolet Hills Mining Venture

a partnership of



Costain Mining (Dolet Hills) Inc.

Costain Australia Mining Pty. Ltd.

Mansfield Mining Company

a wholly-owned subsidiary of

J. A. Jones Construction Company

Funds Provided By

Continental Illinois National Bank
and Trust Company of ChicagoBarclays Bank International Limited
Morgan Guaranty Trust Company

Agent



CONTINENTAL BANK

Continental Illinois National Bank
and Trust Company of Chicago

June 1983

Bulmer figures flatten sunny profits predictions

H. P. Bulmer Holdings
Year to 28.4.83
Pretax profit £13.32m (£7.51m)
Stated earnings 19.54p (11.60p)
Turnover £89.38m (£71.32m)
Net final dividend 2.24p (making 4.2p (2.52p))
Share price 298p down 25p Yield 2%

Given the way in which the hot weather of the last two weeks has boosted the share price of H. P. Bulmer, the cider maker, it was hardly surprising that the release of the company's yearly results yesterday caused disappointment.

Market forecasts of the results had risen with the temperature and by yesterday morning one or two wild shots were predicting that profits would more than double. They rose by only 77 per cent at the pretax level and the directors realistically warn shareholders that although they will be higher again in the current year, they cannot possibly match that rate of growth again.

The shares duly fell 25p to 298p where even after the 67 per cent hike in dividends last year, the yield is still a demanding 2 per cent.

Cider has been one of the few

alcoholic drinks to have shown any sales growth in the last two years. In calendar 1982, the cider market of which Bulmer has more than half rose by a fifth. The growth slowed considerably during the first four months of this year and the market flattened out entirely during May and most of June.

The hot weather has brought the drinkers flooding back to the pumps and trading conditions are more buoyant than ever. Such sales levels cannot be expected to persist but there is no reason for believing - as some do - that cider has gone ex-

growth.

The industry argues that there is still considerable scope left for penetrating the licensed trade.

But even if cider produces a volume-growth of say 10 per cent this year, which would be good going, the four-point margin increases to 20 per cent that Bulmer saw in 1982-83, will plainly be absent this year.

Last March, the group in-

creased prices by 6 per cent taking 10.13 per cent of the increase that fell into the company's last financial year. At the same time it promised that prices would be held for the

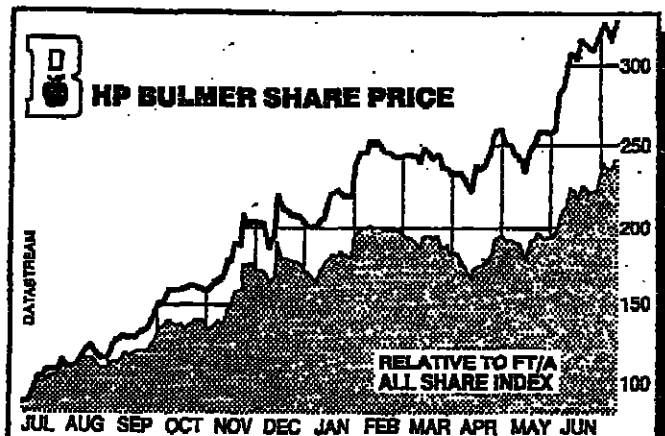
next 12 months, so it would be surprising if profits this year increase by much more than the rise in sales.

But a return to the black by overseas interests and a better contribution from other drink operations are likely and the company's shares do not look unduly high given that the state of the balance sheet has improved during the period of very rapid expansion.

Lennons
Lennons Group
Year to 2.4.83
Pretax profit £242,000 (£149m)
Turnover £24.58m (£21.89m)
Net final dividend 0.8p mkg 0.85p
Share price 32p Yield 3.78
Dividend payable 26.8.83

Lennons Group, the Merseyside-based food and drinks retailer, is another victim of the tough times and wafer-thin margins in the wine and spirits trade, of which the latest reminder was the collapse into receivership of the Augustus Barnett chain.

Lennons gets a third of its turnover from wines and spirits sales and its loss in this business



the first ever amounted to £31,000 compared with a £44,000 profit in the previous year. By contrast, food did better and the operating profit only marginally at £24,000 compared with £1,04m the previous year.

Lennons which closed a couple of unprofitable supermarkets in rationalization moves, has also closed half a dozen branches in the drinks sector.

There was a better-than-expected recovery in food retailing in the second half, with a large new-style supermarket at Mold, Clwyd, opening in the autumn as part of Lennons' switch to more modern stores. This was reflected in the group's second-half performance which produced a profit of £67,282 compared with £266,143 in the previous second half.

The group is showing signs of

has helped produce a second-half improvement with the drinks operation loss being kept to £74,000.

There was a better-than-expected recovery in food retailing in the second half, with a large new-style supermarket at Mold, Clwyd, opening in the autumn as part of Lennons' switch to more modern stores. This was reflected in the group's second-half performance which produced a profit of £67,282 compared with £266,143 in the previous second half.

The group is showing signs of

moving in the right direction and analysts are looking next time for pretax profits possibly reaching £1m with the dividend staying at its present severely reduced level.

A group like this, rich in assets, is still an obvious takeover target. There have been reports of a number of retail groups looking over in the past few months. But with things as they are in wines and spirits a sell-off by Lennons of this side of its business, much speculated about in the past, seems now to be unlikely.

Metal prices

There are as many ways of looking at metal prices as skinning a cat. It is a reasonable supposition that the upward trend evident in most cases from the beginning of the year will continue, albeit gently on average. But the extent of the recovery is distorted by currency fluctuations.

A chart prepared by Shearson/American Express for its mid-year market review makes the point clearly. If prices are translated into dollars at the prevailing rates and based on an index of 100 at the end of 1978,

no metal is within respectable distance of the peaks attained in 1979/80.

To take the extremes of performance, at the end of May aluminium, the strongest metal, stood at 140 compared with 160 in 1980; over the same period lead, the worst performer, has tumbled from 183 to 65.

The optimists, whose number grows daily on the metal markets, will doubtless contend that this proves how big a bull phase is ahead. That may be so. But the burden of the argument is that indexing in dollars iron out the distortions caused by currency fluctuations.

Take aluminium again: its price rise this year on the London Metal Exchange has been 60 per cent in sterling, but only 50 per cent in dollars.

The conventional solution has been to hedge metals, the raison d'être of terminal markets. But more and more, there is a need to hedge currencies.

Currency futures markets, such as the London International Financial Futures Exchange, should benefit from the trend. Metal market users will need more services than a single market can provide.

COMMODITIES

| LONDON METAL EXCHANGE | | LONDON COMMODITY PRICES | | LONDON INTERNATIONAL FINANCIAL | | SEATTLE | |
|-----------------------------------|-----------------|-----------------------------|--|--------------------------------|--|------------|--|
| Official transfer prices | | Rubber in £'s per tonne | | FUTURES | | Soybean | |
| Copper in £'s per 100 lbs | | Cocoa in £'s per 100 lbs | | OFF Financial Services Ltd. | | Wheat | |
| Silver in pounds per metric ton | | Coffee in £'s per 100 lbs | | Month | | Volume | |
| Price in pence per Troy ounce | | Wheat in £'s per 100 lbs | | Settlement | | Settlement | |
| Standard Weight & Co. Ltd. report | | Soyabean in £'s per 100 lbs | | Year | | 4198 | |
| COPPER HIGH GRADE | | SUGAR | | A-95 | | - | |
| Cash | 110.00-110.50 | Aug | | 173.50-73.25 | | - | |
| Three months | 111.00-111.50 | Mar | | 193.00-93.25 | | - | |
| 1/2 yr | 112.00-112.50 | Oct | | 193.00-93.25 | | - | |
| 1 yr | 21.00 | Jan | | 193.00-93.25 | | - | |
| STANDARD CATHODES | | Soyabean steady. | | 3.3030 | | - | |
| Cash | 106.00-106.00 | RUSSIAN | | - | | - | |
| Three months | 108.00-108.00 | Aug | | 803-85 | | - | |
| TIN STANDARD | | Oct/Dec | | 83-85 | | - | |
| Cash | 8640-8648 | 1/2 yr | | 83-85 | | - | |
| Three months | 8640-8648 | Jan | | 83-85 | | - | |
| 1/2 yr | 680 | Mar | | 83-85 | | - | |
| 1 yr | 680 | May | | 83-85 | | - | |
| SIN HIGH-GRADE | | Aug | | 803-85 | | - | |
| Cash | 8640-8648 | Oct/Dec | | 83-85 | | - | |
| Three months | 8640-8648 | 1/2 yr | | 83-85 | | - | |
| 1/2 yr | NL | Jan | | 83-85 | | - | |
| 1 yr | NL | Mar | | 83-85 | | - | |
| LEAD | | May | | 83-85 | | - | |
| Cash | 263.00-264.00 | Very sud. | | 32 | | - | |
| Three months | 273.00-275.00 | COCOA | | - | | - | |
| 1/2 yr | 275.00-278.00 | Aug | | 1418-15 | | - | |
| 1 yr | 2.675 | Mar | | 1418-15 | | - | |
| STEEL | | Oct | | 1418-15 | | - | |
| Cash | 475.00-478.50 | 1/2 yr | | 1418-15 | | - | |
| Three months | 468.00-471.00 | Jan | | 1418-15 | | - | |
| 1/2 yr | 2.100 | Mar | | 1418-15 | | - | |
| 1 yr | 2.100 | May | | 1418-15 | | - | |
| SILVER | | Aug | | 1418-15 | | - | |
| Cash | 787.8-788.8 | Oct/Dec | | 1418-15 | | - | |
| Three months | 814.3-815.3 | 1/2 yr | | 1418-15 | | - | |
| 1/2 yr | 39 | Jan | | 1418-15 | | - | |
| 1 yr | 39 | Mar | | 1418-15 | | - | |
| ALUMINUM | | May | | 1418-15 | | - | |
| Cash | 983.00-984.00 | COFFEE | | - | | - | |
| Three months | 1010.00-1011.00 | Aug | | 1660-59 | | - | |
| 1/2 yr | 2.650 | Oct/Dec | | 1660-59 | | - | |
| 1 yr | 2.650 | 1/2 yr | | 1660-59 | | - | |
| IRON | | Jan | | 1660-59 | | - | |
| Cash | 3190-3190 | Mar | | 1660-59 | | - | |
| Three months | 3225-3225 | May | | 1660-59 | | - | |
| 1/2 yr | 294 | Aug | | 1660-59 | | - | |
| 1 yr | 294 | Oct/Dec | | 1660-59 | | - | |
| IRON ORE | | 1/2 yr | | 1660-59 | | - | |
| Cash | 425.00-427.00 | Jan | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| STEEL | | Oct/Dec | | 1660-59 | | - | |
| Cash | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| STEEL | | Aug | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| Three months | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| STEEL | | May | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Aug | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
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| 1 yr | 427.00-427.00 | Jan | | 1660-59 | | - | |
| STEEL | | Mar | | 1660-59 | | - | |
| Cash | 427.00-427.00 | May | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Aug | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| STEEL | | Jan | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Mar | | 1660-59 | | - | |
| Three months | 427.00-427.00 | May | | 1660-59 | | - | |
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| STEEL | | 1/2 yr | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Jan | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| STEEL | | Oct/Dec | | 1660-59 | | - | |
| Cash | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| STEEL | | Aug | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| Three months | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| STEEL | | May | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Aug | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Jan | | 1660-59 | | - | |
| STEEL | | Mar | | 1660-59 | | - | |
| Cash | 427.00-427.00 | May | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Aug | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| STEEL | | Jan | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Mar | | 1660-59 | | - | |
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| STEEL | | 1/2 yr | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Jan | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| STEEL | | Oct/Dec | | 1660-59 | | - | |
| Cash | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| STEEL | | Aug | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| Three months | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| STEEL | | May | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Aug | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Jan | | 1660-59 | | - | |
| STEEL | | Mar | | 1660-59 | | - | |
| Cash | 427.00-427.00 | May | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Aug | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| STEEL | | Jan | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Mar | | 1660-59 | | - | |
| Three months | 427.00-427.00 | May | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| STEEL | | 1/2 yr | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Jan | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| STEEL | | Oct/Dec | | 1660-59 | | - | |
| Cash | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| STEEL | | Aug | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
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| STEEL | | May | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Aug | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
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| STEEL | | Mar | | 1660-59 | | - | |
| Cash | 427.00-427.00 | May | | 1660-59 | | - | |
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| 1/2 yr | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| STEEL | | Jan | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Mar | | 1660-59 | | - | |
| Three months | 427.00-427.00 | May | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| STEEL | | 1/2 yr | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Jan | | 1660-59 | | - | |
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| 1 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| STEEL | | Oct/Dec | | 1660-59 | | - | |
| Cash | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| STEEL | | Aug | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| Three months | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| STEEL | | May | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Aug | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Jan | | 1660-59 | | - | |
| STEEL | | Mar | | 1660-59 | | - | |
| Cash | 427.00-427.00 | May | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Aug | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| STEEL | | Jan | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Mar | | 1660-59 | | - | |
| Three months | 427.00-427.00 | May | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| STEEL | | 1/2 yr | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Jan | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | Aug | | 1660-59 | | - | |
| STEEL | | Oct/Dec | | 1660-59 | | - | |
| Cash | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| Three months | 427.00-427.00 | Jan | | 1660-59 | | - | |
| 1/2 yr | 427.00-427.00 | Mar | | 1660-59 | | - | |
| 1 yr | 427.00-427.00 | May | | 1660-59 | | - | |
| STEEL | | Aug | | 1660-59 | | - | |
| Cash | 427.00-427.00 | Oct/Dec | | 1660-59 | | - | |
| Three months | 427.00-427.00 | 1/2 yr | | 1660-59 | | - | |
| 1/2 yr | 4 | | | | | | |

Standard Chartered Bank names director

Standard Chartered Bank: Mr James Loudon has been appointed to the board. Satellite Television: Mr Patrick Cox has been appointed managing director from September 1. Mr Cox has been executive vice-chairman of Radio Luxembourg (London) since May 1980. He joined the Radio Television Luxembourg group in Paris in 1978 and moved to London in 1981. Morgan Grenfell & Co: Messrs P. I. Espenhahn, M. E. Joldesley, M. P. Knight, P. B. J. Polonicki, R. M. J. Taylor and R. H. Westcott have joined the board. These appointments have also been made to the boards of its subsidiary companies: Messrs C. J. Knight, R. N. Morgan and J. M. Short to Morgan Grenfell Finance; Mr F. J. Carington to Morgan Grenfell International; and Messrs A. J. Brown and A. M. Wheatley to Morgan Grenfell Investments.

APPOINTMENTS

Amalgamated Metal Corporation: Mr T. Graham Lock has been made chief executive. William Faber & Dumas: Mr D. G. Shaw has become a director and deputy chairman - international division. Associated British Ports: Mr David Cooper has been appointed deputy director of research. Orle Products International: Mr Allan Castle has joined the Board as financial director. TSI Thermostatic Syntex: Mr Bent Henriksen has joined as group managing director. McKinsey & Company: Mr Kevin Jones has been elected a principal in the London office. Gratta Barrett & Wright: Mr Martin Gratta has been appointed chairman of the newly formed company and Mr Chris Sneath managing director.

NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCKS LISTED BELOW ARE NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALERS IN THE STOCKS ON A STOCK EXCHANGE ARE EXPECTED TO COMMERCE ON FRIDAY, 15th JULY 1983.

ISSUES OF GOVERNMENT STOCK

The Bank of England announces that Her Majesty's Treasury has created on 13th July 1983, and has issued to the Bank, additional amounts, as indicated, of each of the Stocks listed below:

300 million 10½ per cent EXCHEQUER STOCK, 1997
200 million 11½ per cent TREASURY STOCK, 2001-2004

The price paid by the Bank on issue was in each case the middle market closing price of the relevant Stock on 13th July 1983 as certified by the Government Broker.

In each case, the amount issued on 13th July 1983 represents a further tranche of the relevant Stock, ranking in all respects pari passu with that stock and subject to the terms and conditions of the prospectus for that stock, save as to the particulars therein relating to the amount of the issue, the price payable, the method of issue and the first interest payment. Copies of the prospectuses for the Stocks listed above, dated 14th October 1977 and 18th May 1979 respectively may be obtained at the Bank of England, New Issues, Watling Street, London EC4M 9AA.

Application has been made to the Council of the Stock Exchange for each further tranche of stock to be admitted to the Official List.

The Stocks are repayable at par, and interest is payable half-yearly, on the dates shown below:

| Stock | Redemption date | Interest payment dates |
|--|--|------------------------------|
| 10½ per cent Exchequer Stock, 1997 | 21st February 1997 | 21st February 21st August |
| 11½ per cent Treasury Stock, 2001-2004 | 19th March 2004, or at any time after 19th March 2001 subject to not less than three months' notice. | 19th March 19th September |

The further tranche of 11½ per cent Treasury Stock, 2001-2004 will rank for a full six months' interest on 19th September 1983. Dealings in the further tranche of 10½ per cent Exchequer Stock, 1997 for settlement prior to 21st August 1983 will, in common with the existing Stock, be effected on an ex-dividend basis.

BANK OF ENGLAND
LONDON
13th July 1983

Andrew Cornelius on Northern Ireland's search for energy solution

Ulster studies options to fuel its future



Adam Butler faces up to the province's energy problems in the discussion paper he has endorsed which is published today.

NORTHERN IRELAND ENERGY ISSUES

a discussion paper

The Government is urgently reviewing its energy strategy for Northern Ireland where high power costs are hampering the province's industrial regeneration. Nearly half the industrial and domestic energy needs of the province are currently being met by costly oil-based power plants.

The roots of the problem stretch back to the 1950s when the Government decided to build power stations, fuelled by oil, then offered at knockdown prices. A five-fold increase in oil prices in 1973/74, followed by a further doubling of prices in 1978, means that the province now has problems right across the field.

Without government subsidies totalling £80m each year electricity tariffs in Northern Ireland would be at least one-third higher than in the rest of the United Kingdom. Even with the subsidies prices are at the highest levels prevailing in the rest of the United Kingdom, which has obvious repercussions on local industry.

Mr Adam Butler, Minister of State for Northern Ireland with responsibility for co-ordinating energy strategy, finds himself at the centre of a fierce debate on this difficult problem.

In an effort to reach a decision which best serves the longer term needs of the province, Mr Butler has endorsed the publication today of a 160-page discussion paper entitled *Northern Ireland Energy Issues*. The paper has been prepared by the Department of Economic Development in Belfast in an attempt to weigh the benefits of various alternatives.

No conclusions are offered on the likely outcome of government deliberations, although an early decision is promised on the long-standing negotiations with the Irish Government in Dublin on the supply of natural gas to the North by pipeline from Kinsale. Mr Butler has arranged a meeting with the Dublin Government two weeks from now to discuss the project which provides a potential solution for one part of the wider energy problem in the North.

The substitution of gas supplied from naphtha oil-based feedstock with natural gas from Kinsale theoretically offers savings of up to 20 per cent in gas prices. But the project has already been rejected once by the United Kingdom Government and is fraught with both political and economic danger associated with future changes in Irish pricing policy.

The success of the project also largely depends on there being a significant increase in the amount of gas demand in Northern Ireland, where it

currently accounts for only 3 per cent of total energy consumption.

For this reason much of the pressure on Mr Butler has come from rival groups in the United Kingdom which are vying for a share of the Northern Ireland energy market. What started as gentle lobbying from the National Coal Board and a United Kingdom publicly quoted open-cast mining company, Burnet & Hallamshire Holdings, is fast turning into full-scale battle over the type of fuel which will offer the best value for money.

Both sides are adamant that the Government has to decide quickly to convert the province's predominantly oil-fired electricity generating power stations to a new fuel. The NCB insists that the cheapest solution is to convert the Kilroot oil-fired power station near Belfast to coal. The cost of converting the Kilroot boilers to coal would be about £70m, according to Mr Malcolm Edwards, the coal board director-general of marketing.

Coal could then be supplied direct to the power station from a newly worked Scottish pit in Ayrshire at about £45 a tonne, 40 per cent of the price of the equivalent amount of oil. The

project would create 1,000 jobs in Scotland and Northern Ireland, mainly in shipping and haulage activities, while providing good quality coal at bargain basement prices.

However, the Government is also aware of the potential offered by the discovery of at least 100 million tonnes of proven reserves of lignite on the edge of Loch Neagh, about 14 miles from Belfast. The Burnet board has argued that there could be as much as 450 million tonnes of lignite in the area, which would be enough to make the province self-sufficient in energy until well into the next century. But the sceptics argue that most of the additional reserves are actually under the Loch which would make mining either impossible, or uneconomic.

They also suggest that lignite is such a poor quality substitute for steam coal, with less than half the calorific value, that huge quantities need to be burned to achieve the same results.

Despite the problems the Burnet move to establish a £10m pilot plant to test the project viability receives a fillip today with the publication of the conclusions of a study

conducted by Coopers & Lybrand. The Coopers study argues that information gained from the pilot development would be of considerable benefit to the planning and design of eventual lignite power generation projects.

If a decision were subsequently taken to go ahead with the project to build a lignite-fired power plant, then a new station on the Loch Neagh site would offer the greatest economic benefit. It would also be cheaper than the conversion of an existing power plant, besides offering considerable saving when compared to the use of coal, according to Coopers.

The Department of Economic Development stresses that the various options being considered are not necessarily direct alternatives. Thus a decision on the Kinsale pipeline could be taken quite independently of the decisions on lignite and coal. There is also a strong possibility that a final decision on using lignite will be delayed until the 1990s by which time the Government will have had time to evaluate a small-scale pilot project.

In the meantime, Mr Edwards and his colleagues at the NCB are keen to stress the importance of making an immediate decision on the conversion of the Kilroot plant. Mr Edwards estimates that the conversion could be completed within three years of the decision being taken. In the present climate there would be little danger of power shortages if Kilroot were pulled out of service within this time.

But any delay in the decision-making process increases the risk of power shortages if industry's demand recovers from today's rock-bottom levels.

The creation of a nearby market for 1 million tonnes of coal each year would also do much to ease the NCB's strained finances, with the obvious attractions to ministers.

The Department of Economic Development's discussion paper emphasises that Northern Ireland's energy problems cannot be considered in isolation from its wider economic wellbeing and that of the United Kingdom as a whole.

The paper also points to the obvious attractions of pushing as much of the burden of financing as possible on to the private sector. In the current political climate that makes Burnet's scheme a firm front runner, despite the uncertain nature of the company's plans.

The NCB, on the other hand, is unlikely to let such an important market slip away easily. The debate, therefore, is certain to rage for months to come.

Financial notebook

Confusions round an obsession

Of all the orthodoxies now afflicting financial markets, perhaps the most obsessive is "crowding-out". It is widely held, particularly on Wall Street, that government borrowing, certainly at present levels, reduces the availability of capital for other investment, forces up interest rates, and therefore inhibits economic recovery.

But like all orthodoxies, crowding-out blinds the obsessed to much of what is really going on. Nobody would deny that, in extremis, the behaviour of private savings could be badly distorted by government funding requirements.

Nevertheless, the empirical evidence for crowding-out in present circumstances is inconclusive, and different ways of funding government reduce the risk further. It is even possible to argue without undue perversity that fiscal stimulation from government borrowing leads to "crowding-in".

One is entitled to be suspicious about crowding-out because its intellectual origins are less than impeccable and fully support well-worn maxims about defunct economists. The belief that a budget deficit would drain a finite pool of national savings was the British Treasury orthodoxy of the 1930s which so exercised Lord Keynes. How the discredited orthodoxy of a discredited period could once again become respectable is an intriguing question.

Part of the answer is that the latter day partisans of crowding-out confuse the real economic effects of government deficits and spending with their inherent dislike of "big government". Allied to this political aspect of punk monetarism is the *a priori* assumption that the private sector is more efficient. The conviction that budget deficits cause inflation, and the understandable concern that inflation may not be defeated, add to the confusion.

A rhetorical riposte to this tangle of confusions and prejudices might be why should a given amount of private borrowing be less inflationary than the same amount of public borrowing if their impact on aggregate demand is identical? If there is no difference, presumably private funding can lead equally to crowding out.

But stripped of the confusions, the argument revolves,

as Keynes argued, around the behaviour of private investors. This, it must be said, is a blood-stained battleground. The effect of fiscal policy on private savings and the response of investors are murky areas. The complexity is illustrated by the recent behaviour of private savers. In Britain, the savings ratio actually rose while budget deficits were at their height in the late 1970s; since then they have fallen, despite lower deficits.

Nevertheless, a recent paper by two Organization for Economic Cooperation and Development economists concludes that where government debt is funded by bond issues "the demand for credit may be sufficiently interest sensitive, and many money holders sufficiently responsive to interest changes, for budget deficits to be financed without crowding out a substantial amount of private capital spending".

Indeed, the paper argues that instead "crowding in" could be the result. If fiscal policy increases the wealth of private money holders by stimulating the economy generally the consequences could be, with a given money stock, higher private demand for financial assets such as company debt and equity.

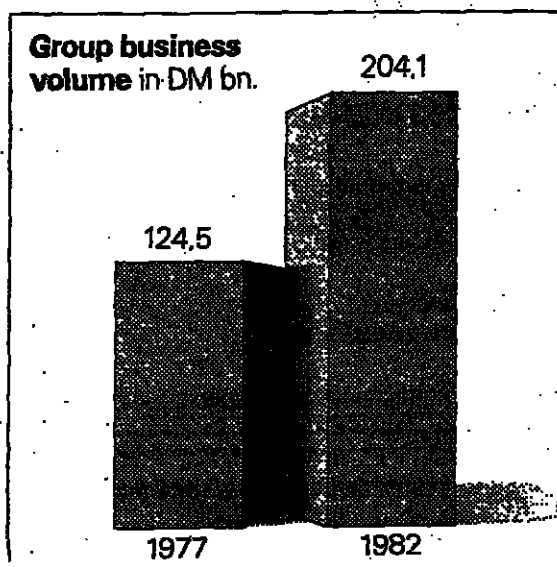
In practice, however, investors do not always respond with the speed or rationality that would produce such a result. Some might prefer, for instance, to hold equities even though the yield is lower than on government bonds. It is this mismatching which can result in a measure of crowding out and prompts the OECD authors to say: "This evidence suggests that there is only a partial crowding out in the short term."

One solution to the problem is for governments to use different funding methods. At the moment issuing medium-to-long-dated bonds does not always match the investors' preference, engendered by inflationary experience and expectations, for short-term assets. At this stage in the recovery it might be more appropriate for governments even to borrow from banks.

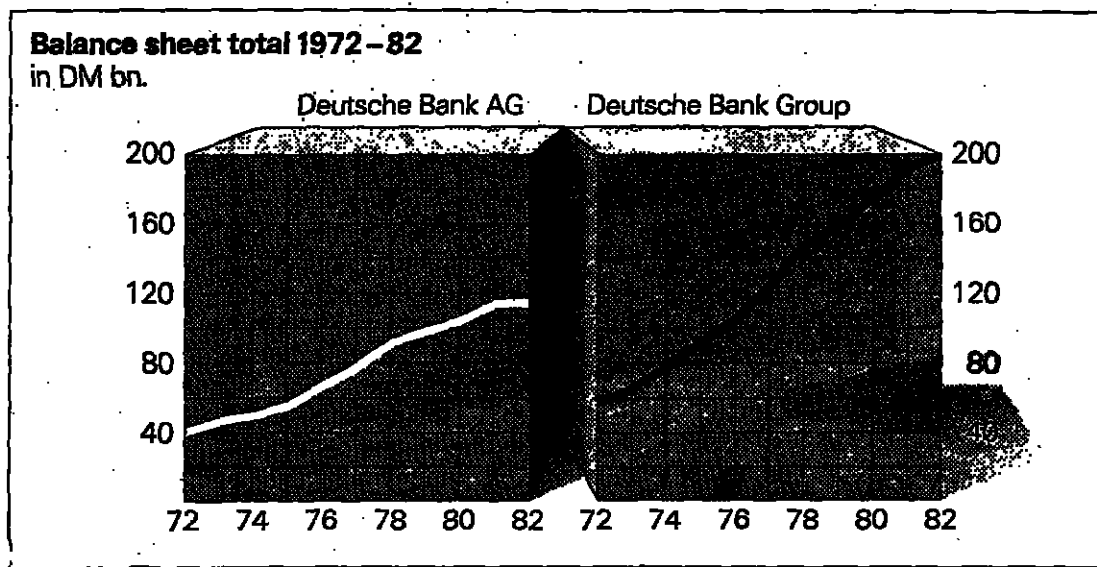
Public Sector Deficits: Problems and Policy Implications by Jean-Claude Chauriqui and Robert Price, OECD, "Occasional Studies", June 1983.

Michael Prest

1982. A year's work.

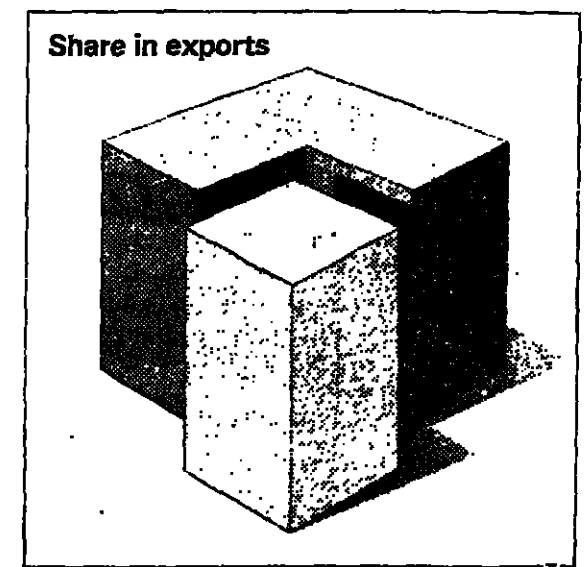


Group business volume exceeded DM 200 bn.



Development of balance sheet total.

Deutsche Bank



A quarter of Federal Germany's exports are settled with Deutsche Bank.

Business policy, overall development and result.

The 1982 financial year was characterized by a cyclically-induced weakness in demand for credit, a further increase in risks in national and international business as well as a marked decline in interest rates in the course of the year.

Group business policy was aimed primarily at strengthening earning power. Its objective was also to allow customers to benefit quickly and to the largest possible extent from the measures of monetary policy relaxation initiated by the Bundesbank and thus to promote positive effects for economic activity as a whole.

Through the capital increase in October, which brought us own funds of DM 497 m., we strengthened the bank's position and laid the foundation for full use to be made of future business opportunities in the Group.

In 1982, the bank's business volume increased by roughly DM 2 bn. to DM 204.1 bn. Group business volume rose to DM 204.1 bn.

International business.

In 1982 also, a large part of our international business served the financing of German foreign trade.

The most important project in the financing of German plant exports in 1982 was the supply of goods for the gas pipeline from Urengoy (West Siberia) to Western Europe.

In Eurocredit business, which we handle largely through our subsidiary in Luxembourg, we continued our cautious, earnings-oriented policy.

Foreign network continues to grow.

In May and June 1982, we opened representative offices in Los Angeles and Chicago.

After taking over the holding company Deutsche Credit Services, Inc., in Deerfield, Illinois (U.S.A.), we now have in Deutsche Credit Corporation a wholly-owned subsidiary specializing in industrial sales financing.

In Japan we opened a representative office in Nagoya, one of the country's important business centres, in February. In October we converted our representative office in Osaka into a branch.

In June we received authorization to open a representative office in Bahrain.

At the end of 1982 Deutsche Bank had 13 foreign branches and 9 wholly-owned subsidiaries abroad. Together with our holdings and representative offices, we have 93 bases in 54 countries.

Foreign subsidiary banks and financing companies.

Deutsche Bank (Asia Credit) Ltd., Singapore, engages primarily in international lending and in money and foreign exchange dealing. At the end of 1982, the bank's balance sheet total came to the equivalent of DM 2.1 bn.

Deutsche Bank (Canada), Toronto, successfully completed its first business year on 31.10.1982.

The bank operates as a Commercial Bank under the Canadian Bank Act in short and medium-term lending and deposits business as well as in the services sector.

Its balance sheet total came to Can. \$ 121.2 m. as at 31.12.1982, with total credit extended to customers of Can. \$ of 65.2 m.

As at balance sheet date 30.9.1982, the balance sheet total of Deutsche Bank Compagnie Financière Luxembourg S.A., Luxembourg, came to Lux. frs. 503 bn. (DM 24.9 bn.).

The emphasis in the bank's operations continues to be on lending. Total credit

extended as at balance sheet date was Lux. frs. 394 bn. (DM 19.5 bn.).

Deutsche Bank (Suisse) S.A., Geneva and Zurich, as a specialized institute in Switzerland, serves primarily international private customers in the fields of investment counselling, trust business and foreign exchange and precious metals dealing.

The bank's second business year has already closed with a positive result. Balance sheet total increased to the equivalent of DM 383 m. (previous year: DM 132 m. converted).

Atlantic Capital Corporation, our investment banking subsidiary in New York, participated this year too in a number of share and bond issues. Since 31.12.1982 Atlantic Capital Corporation has been a member of the New York Stock Exchange. Its balance sheet total at year's end came to US \$ 51.4 m.

Strong growth in Eurobonds.

In international issuing business we took advantage of the favourable state of the Eurocapital market to expand our business strongly. The bank lead-managed, managed or co-managed a total of 269 Eurobond issues; that was almost twice as many as in the previous year (139). The biggest single transaction to date on the Eurocapital market, a US \$ 750 m. bond issue for Canada, was lead-managed by our bank.

EBIC:

(European Banks International).

The exchange of views and experience with the six partner banks in EBIC was continued.

At the end of the year the two EBIC subsidiaries Banque Européenne de Crédit (BEC) and European Banking Company (EBC) were merged.

At European American Bank (EAB), New York, the balance sheet total rose to US \$ 8.3 bn.

European Asian Bank AG, Hamburg, again registered an impressive increase in lending to corporate customers in the Asian-Pacific region. The balance sheet total rose by 18% to DM 6.3 bn.

Private anguish of de Savary in helming argument

Newport, Rhode Island

When Phil Crebbin, the regular starting helmsman of Victory '83, was taken ill on board only 15 minutes before the start of Tuesday's America's Cup B Series elimination race against Azura, and was replaced by three times Olympic medal winner Rodney Pattison in what proved to be a thumping win by more than five minutes, the spark of the British helming controversy had been reignited.

It is said that when Alan Bond's Australian crew heard two months ago that Harold Cudmore had split with the Victory syndicate and gone home, they nodded with approval. They regarded him as one of the hardest, most competitive men in the business.

Now the argument, within and outside the British squad, about the helming of Victory '83 is again a focal point of the British campaign, less than half way through the elimination series. The departure of Cudmore, followed a few weeks later by that of the equally respected Chris Law, may come to be seen more than ever in retrospect as a turning point.

All this is a matter of private anguish for Peter de Savary, who more than any yachting philanthropist since the 1930s, has been prepared to put his money—currently running in excess of \$50m—where his heart is, in the British interests, sparing nothing in energy or enterprise to ensure that this would not be another GBD (great British disaster). This campaign is certainly not, for despite the controversies, de Savary has proceeded a fine boat and competent crew.

But what is called into question after the crushing of the famed Azura, almost a minute advantage on the leg, the advisability of de Savary's insistence on the squad system even among the "afterguard" the helmsman and tactician. At first glance it would seem to ensure that the best helmsman is able to be replaced by the best helmsman available. Yet the argument subsequently is whether Lawrie Smith, who started the race, and Pattison, who went for the biggest possible margin, not just for psychological value but to strengthen Pattison's claim to a place on the boat, instead of rigorously covering Azura's stern, could have been replaced by the acknowledged tactics of America's Cup match racing. The American defence selectors, it is argued, would immediately dismiss a trial boat which has acted this way.

David Miller

CYCLING

Simon simply refuses to give in to injury

From John Wilcockson, Rouffort-sur-Saône

Pascal Simon yesterday displayed the necessary qualities of courage, to go with his natural class, required by a winner of the Tour de France, to survive the 261 kilometre stage despite nursing a serious injury to his shoulder blade, the result of his heavy fall on Tuesday.

"I think I would survive as well, if I knew I was going to win the Tour at the end of it," commented Phil Anderson, Simon's team colleague from Australia. Anderson is also a courageous rider, and if Simon does fall by the wayside in today's crucial leg across the Massif Central to Aurillac, Anderson could take over.

The tall Australian was brought into Rouffort, where last week's yellow jersey, Kim Anderson, now 20th overall, took the honours after a spectacular counter attack in the final 10 kilometres. Pedro Delgado was in the winning move for the third successive day.

The pair finished half a minute in front of a small group of leaders which included Simon as well as Sean Kelly, who took the third place overall. This pack included two of the stage heroes, Lucien Van Impe and Robert Millar, who spearheaded a four man break that at one point commanded a seven minute lead.

FOOTBALL

McNeill signs Parlane

Manchester City's manager, Billy McNeill, yesterday announced the signing of the forward, Derek Parlane, and the former Scottish international will complete the free transfer today subject to a medical examination.

Parlane, who was ruled out for nearly 12 months of his three-year stay at Leeds because of an ankle injury, will be given a two-year contract. McNeill is still interested in Cummins, the Sunderland forward, but will not move until a Football League tribunal has made an agreement with Sunderland about the player.

George McCluskey, the unscathed Celtic forward, returned to Scotland after visiting Leeds United for transfer talks. He wanted further talks with David Hay, the Celtic manager, before deciding about his future.

Dave Bennett, the Cardiff City forward, has agreed personal terms with Coventry City and the clubs are negotiating a transfer fee. Cardiff want £125,000—the price they paid Manchester City for him two years ago. Coventry's first offer is believed to have been £90,000.

Coventry's manager, Bobby Gould, would not be drawn on speculation that he was about to move in for Kevin Keegan, who has not signed a contract with Newcastle United.

West Ham United have completed the transfer of the forward, Francois van der Elst, to his native Belgium's first division club, Antwerp.

Charterfield have completed the signing of the former Scottish international goalkeeper, Jim Brown. Brown, who made 47 appearances for Charterfield, 10 years before moving to Sheffield United, has returned from three years in North American football.

Magdeburg have agreed to play their European Cup Winners' Cup preliminary round first leg match with Swansea City at the Vetch Field on August 24. The return leg in East Germany is on August 31.

Brighton have appointed Chris Cantlin, their former defender, as first team coach.

FOR THE RECORD

TENNIS

BASTAD: Swedish Open: First Round. G. Gunnarsson (Swe) to J. Lopez-Mas (Spa) 6-4, 7-5; 2nd Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 3rd Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 4th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 5th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 6th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 7th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 8th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 9th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 10th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 11th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 12th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 13th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 14th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 15th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 16th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 17th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 18th Round. G. Gunnarsson to J. Lopez-Mas 6-4, 7-5; 19th Round. G. Gunnarsson to J. 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The Open: Star billing for Europe's order of merit leader

Faldo the best British hope since Jacklin to capture title

By John Hennessey, Golf Correspondent

Nick Faldo, whether he likes it or not, will stand on the first tee of Royal Birkdale at 9.25 this morning as the best British hope for the Open championship since the golden days of Tony Jacklin a decade or so ago. He plays with the Spaniards Ballesteros and Larry Nelson, newly installed as US Open champions, star billing that will surely test the strength of the gallery ropes.

Faldo has been inclined to dismiss his chances, probably for tactical reasons, but everything seems to point to the strong possibility of an improvement on his fourth place last year behind Tom Watson, Peter Oosterhuis, and Nick Price, a young South African.

Faldo, one year older and, it seems, several years wiser, came back from the United States with another encouraging tour record to win the first three tournaments he played here, and has since then finished high up more often than not in other tournaments.

He is a runaway leader in the European Order of Merit, with more than £50,000 while his nearest pursuers hover around the £30,000 mark. He is, too, a

course winner, as they would say on the PGA championship at Birkdale in 1978. And he prepared himself meticulously for the event last week with several quiet rounds away from the hush-hush that has now invaded Birkdale.

Faldo is a little inattentive of character and not therefore the type of man to be intimidated by the close proximity of Ballesteros, particularly, and Nelson, playing at his side today and tomorrow in a match of more arresting appeal than any among the other 50.

He will be fortified by the thought that in his first tournament on returning from the United States, the French Open, he got the better of Ballesteros, playing in his third.

In tournaments where they have both played, Faldo's record is clearly the better, with two wins to one and rather better subsidiary placings. The doubt we must have about Faldo is whether he has the stomach for the big occasion. There is nothing in his record to suggest that he lacks heart, but until he has been put

to the supreme test, as Price sadly was last year, we have to keep an open mind. Though he finished high up last year, not for the first time, Faldo was never in a position to win. Until he is, we shall not know what stuff he is really made of.

There has never been a doubt about Ballesteros's character since he finished runner up to John Miller on this same course in 1976 at the tender age of only 19. Since then, of course, he has won one Open and two Masters and gives the impression nowadays that simply nothing is beyond his gifted compass. Watching him play six holes from the ninth yesterday, was an awesome experience, as he hauled in three birdies.

Nelson may look like a dwarf between the tall willowy Faldo and the husky Ballesteros, but his victory at Oakmont, in the wake of a thoroughly depressing season, must have added 4 ft 3ins to his normal 5ft 9ins. But it was Nelson's victory as a guide, almost anyone could win at Birkdale. In 16 previous tournaments he has survived the 36-hole cut only six times, and it was not until his putter suddenly caught fire early in the third round that he overtook



Jack Nicklaus (top) and Tom Watson line up for success.

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to be Way's idol. "Look at that guy behind Paul Way," she remarked in a rare critical aside. "His swing's going better and better." Since his identity was unknown to both of us, his anonymity is easily preserved.

During these deliberations Andy Bean arrived on the practice ground, a huge mountain of a man from Florida with humour to match. His club, she said, looked like a toy in his hands. Later they compared hands and he's looked like a toy's against his, fastened with calcauses. "Some of us have to work," he gently reminded her. Bean had a pure, simple, "knicker" swing. He brushed the driver and after one shot he exploded: "What a shot! I'd go home after one like that!"

Faldo's swing was not the prettiest of things, but you don't get marked for being pretty. He took away on the inside, but changed his arc at the top of the back swing

quick, let alone to make a stumping. "It was in Pakistan, and the wicket wasn't too fast, I was in a bit of a mess, and I decided to keep him in his place by standing up. He played a shot on the wall, and I had the balls off at once, but Taylor is still furious about it. 'I don't often lose my temper on a cricket field, but that time...'

His best dismissal actually allowed was a leg-side catch that dismissed Smith, of Middlesex, off Hendrick. The ball rocketed off an inside edge and Taylor charged in on mid-air to take it.

These high spots were all made possible by Taylor's schoolboy impatience at the lack of involvement he felt when fielding at long leg. He asked teacher for a go with the gloves, and the rest is history.

Standing up is what it is all about, of course. "I judge a 'keeper by the way he stands up. Standing up shows whether you are a wicketkeeper or a bat-stop." He looks on goalkeeper-style batsmen-in-gauntlets with about as much tolerance as Rembrandt would regard painting by machines. "A good 'keeper must create chances, like standing up to make the batsman play differently. He must have impeccable concentration, be physically and mentally fit, and set an example to the fielders."

All good stuff, this, and one would accept no less from the man, but I am afraid he has totally disillusioned me. Last winter, standing up to Botham, he took a bounce lovingly into his gloves about half an inch behind the batsman's ear, a phenomenal example of high class reaction. But he knew it was going to be a bounce all along, he said.

The hard road is no crow's flight

Which hole at Royal Birkdale will prove to be the hardest par-four? Competition is keen for the prize must surely have gone to the sixth, two other strong contenders, the first and 18th, have come to join it. These three will be central to the championship. The first and the last have yet to be tested, the sixth is an old foe and Jack Nicklaus rates it as par four and a half.

In 1976 that hole yielded 15 birdies as against 270 fives and worse. In statistics kept since that year, it rates as the third most difficult hole of all championship courses, behind only the 15th at Royal Lytham and the Road Hole at St Andrews. The sixth hole has also been changed since last time, but it looks as though it will turn out to be an alteration without a difference.

The cross-hazard at about 260 yards from the tee has been reduced by removing the central track and extending the fairway so that its length down the left is unbroken. The gap at its narrowest is no more than 15 paces, and with the stream lurking beside the left rough it is a risk the majority will not want to take.

The Press Centre is privileged to have six world clocks installed in its rooms. One of which gives the time in Montevideo. The other five show the time in the countries entered there is none from Uruguay suggests that another more suitable capital might be found. In years past, it used to be Buenos Aires. Perhaps it is time to revert to Argentina, after all, have a representative in the field, Vicente Fernandez was required to play off in order to provide alternates in case of late scratchings. He was not at all keen, but was finally coaxed into continuing to now find himself in the championship.

Do not get too excited about first round leaders; some of them have been entertaining rather than dangerous, and most of them come from the United States. The last three are in, as witness the occasion at Muirfield in 1972, when Peter Turner walked off the course at the very end of the day with a 68 in the lead. Turnover in the Press Tent. "You have ruined the something symmetry of my opening paragraph."

Tupling said he could not see what all the fuss was about; everyone knew he was not going to win. That was true enough for he finished in a tie for 45th. The United States Open has had its share of them. Mike Reid came in at the day's end to lead the Atlanta Open, which Jerry Pate won; to snatch the lead as an amateur. In an earlier year the name of Rival McBeane was known to every American golfer, not for having won the Open, but for the steepness of the drive he took when he was an anonymous golfer he took a first round lead.

It will take the stamina of a Foreign Legionnaire to follow a round for 18 holes, if the present heat lasts. Even though a gentle sea breeze helped yesterday, the temperature was again in the high eighties, and has not dropped below 68 degrees at night in the area. But for the players, the recommended drill is to wear binoculars, and stick to the tracks. No use following the flight of the crow at Birkdale.

Peter Ryde

Variation on a theme by Coe, Ovett and Co



A line-up to show the world four clean pairs of heels: Coe, Cram, Williamson and Ovett.

Quartet strike a familiar discord for Helsinki

By Pat Butcher

Steve Cram's return to form has signalled a return of the problem, now aggravated, that the selectors have before the Olympic Games in Moscow. Whom to choose for the middle-distance races in the forthcoming world championships in Helsinki, particularly the two for the 1,500 metres? The names remain the same as in 1980 - Coe, Cram, Ovett and Williamson - but the game is slightly different.

The world record-breaking form of Coe and Ovett before Moscow meant that their selection for both 800 metres and 1,500 metres was a formality. It was simply a case of "Cram or Williamson?" for the 1,500 metres place. Times have changed. Cram is European and Commonwealth 1,500 metres champion and Williamson is the fourth fastest 1,500 metres runner in the world this year.

Coe has already been selected for 800 metres in Helsinki and Ovett has done enough to be nominated at 1,500 metres in the main body of selections which are to be made after the Talbot Games tomorrow. But Ovett has implied that he wants to run in the 800 metres in Helsinki as well, a distance at which he has hardly raced or had a top-class time since his Olympic victory.

Coe wants to be considered for the 1,500 metres, too, and is looking for a first time in the Talbot Games. If he had won his 1,500 metres race in Paris two weeks ago there would not be so much questioning of his right to contest that distance in Helsinki. But he came second and showed the frailty in the finishing straight that he showed when losing the European 800 metres in Athens last September.

But Ovett's Olympic 800 metres and Coe's Olympic 1,500 metres titles are difficult to ignore. In any slow, tactical 800 metres, Ovett is a likely winner. Coe's competitive capabilities are still in doubt.

The time trials, the paced, runaway victories to world records have left Coe incompetent to deal with the pressures of a close finish, with the pressures of a close finish, as Athens and Paris proved. He admits that he is still a naive 1,500 metres competitor. The Olympic victory must therefore, by his own standards, be adjudged his greatest

performance. Should he be denied the opportunity to repeat that?

With Coe and Ovett not contesting 1,500 metres last year, Cram filled the gap with gold of his own. He established himself with a victory in Zurich over eight of the top 10 in the world and then won European and Commonwealth 1,500 metres titles. The absence of really fast times was simply due to Cram not getting the opportunity of the fast pacing that Coe and Ovett have enjoyed in all their world records.

Like the other gold medalists from last year, Cram was told that he only had to show optimum form this year to be selected for Helsinki. But a groin strain followed by an ankle injury at the start of the track season, coupled with the fast running of Ovett, Williamson and Coe, obscured his talent.

Cram and Williamson are opting for 1,500 metres only, although they have now done a world championship qualifying time for 800 metres, which Ovett has yet to do. Cram can run 37.3 seconds for the 800 metres comeback race last week, and he saw Ovett's last-minute entry in his 1,500 metres race in the Netherlands two nights ago as an attempt to steal a psychological advantage over him while he was not fully fit.

Cram moved down to 800 metres, won easily and then reacted to the prospect of Coe and Ovett doubling up in Helsinki. "They are being judged on what they did two or three years ago and that makes me very angry," Cram said. He sees the prospect of himself and Williamson having to run-off for the last place in the first three across the line, as they had to do in 1980, when Cram won.

Williamson has done 3 minutes 34.0 seconds, behind Ovett in Oslo two weeks ago, with two more times close to that, and the lever of an excellent second place in the 800 metres in the World Student Games, one of the premier championships in the world.

But despite his fast 1,500 metres time, Williamson still has the weakest case, since, unlike the other three, he has not yet proved himself

a winner in the highest class. His fearless front-running is seen by many as an invitation to defeat, but he is as talented, if not more so than the others, and it is again injuries, the constant blight of the highly trained athlete, that have kept him from the superlative performance of which he is surely capable.

The question that the selectors must consider is whether Coe and Ovett are setting their sights too high to one their current capabilities. They are being tempted by prestige and posterity. These first IAAF world championships in Helsinki will be the biggest track and field event to date, contested by around 140 countries, without danger of boycott.

That is at least 50 per cent more countries than have contested any Olympic track and field programme. Indeed, the event is not yet been broached of how the certain success of the world championships will affect the future of the Olympics, which, unquestionably depend on track and field as their focus.

But Coe and Ovett have undergone long periods of illness and injury since Moscow, which makes suspect their ability to contest six most (heats, semi-finals and finals) in eight days. Coe withdrew from the European 1,500 metres on the day the championship started last year; he was replaced by Coe, who, when he lost the 800 metres, also withdrew, leaving only two British representatives, Cram and Williamson, in the 1,500 metres. A repeat of that situation must be avoided at all costs.

That is evidently uppermost in the mind of Andy Norman, one of England's team manager and one of the selectors, when he says that Coe and Ovett should restrict themselves to the first three across the line. That race should fill a stadium anywhere. For it is not beyond the bounds of possibility that any three of these four could win all the 1,500 metres medals in Helsinki.

Tee-off times at Royal Birkdale

(First round) and Second round:
8.45 and 1.30: T Watson (US), M Jones, H Ballesteros (SA).
9.25 and 2.15: N Faldo, L Nelson (US), Ballesteros (Sp).
9.45 and 2.35: T Kite (US), P Parkin, M Krumpholtz (US).
10.10 and 2.55: A Palmer (US), B Greshaw (US), R Floyd (US).
10.30 and 3.20: Yu-Shu Hsieh (Taiwan), H Irwin (US), S Torrance.
12.40 and 3.20: Chien Boon Li (Taiwan), P Oosterhuis, H Sutton (US).
1.0 and 3.45: A Ballesteros, P Way (Sp), L Trevino (US).
1.30 and 3.55: B Langer (WG), P Way (Sp), L Trevino (US).
1.45 and 4.25: D Smyth, R Clement (US), T Newman (Japan).
2.5 and 4.45: F Zoeller (US), A Lyle, G Norman (US).
2.25 and 4.10: G Player (SA), I Woosnam, I Wadkins (US).
2.0 and 4.0: J Nicklaus (US), K Brown, N Price (Zim).
2.30 and 4.15: B Balchewer, R Shearer (Aus), T Welskopf (US).
GB and Ireland unless stated.
* Amateur.

Swinging into a woman's eye at practice

By John Hennessey

Some of the leading players in the Open came under intensive female scrutiny on the Birkdale practice ground. Beverly Lewis, who rounds off a distinguished professional career with a post as teacher at the Western Park Golf Centre, Chadwell Heath, was playing the women's circuit, was making a first inspection of this year's field. Reactions ranged from admiration for Tom Watson, sympathy for Bernard Langer and bewilderment in the case of Raymond Floyd.

She approved of Watson's long back swing and big wind-up but wondered about the left heel off the ground. "That's very unusual, on the take away, the most important part of the swing. If there are faults there you've got to work to correct it in the rest of the swing." With former men like that, she thought, Watson could get out of any trouble at Birkdale. There was the difference between men and women.

Langer, on the other hand, has a firm left heel, with "a flat swing, very powerful, with a strong grip." Ovett, it was noted, will draw to get extra length, but "what a shame the guy can't putt! When I've putted badly I've found it so frustrating. Yet he's had to live with it for years and just keeps plodding on." It was a woman's eye at practice that he does so well.

Paul Way, one of the younger players, was being watched by a woman who was deeply with his solid "modern" golf swing. It was very much one piece with hand, arms and shoulders all moving away in one unit. Besides looking good it made good so much sense, why he had got so far, and which he had worked hard to develop. But modern? "That's because his wrist is very flat at the top of the swing, wrist and forearm in one line. He makes good use of his wrist. She would expect Gary Player, of much the same physique,

to be Way's idol. "Look at that guy behind Paul Way," she remarked in a rare critical aside. "His swing's going better and better." Since his identity was unknown to both of us, his anonymity is easily preserved.

During these deliberations Andy Bean arrived on the practice ground, a huge mountain of a man from Florida with humour to match. His club, she said, looked like a toy in his hands. Later they compared hands and he's looked like a toy's against his, fastened with calcauses. "Some of us have to work," he gently reminded her. Bean had a pure, simple, "knicker" swing. He brushed the driver and after one shot he exploded: "What a shot! I'd go home after one like that!"

Faldo's swing was not the prettiest of things, but you don't get marked for being pretty. He took away on the inside, but changed his arc at the top of the back swing

quick, let alone to make a stumping. "It was in Pakistan, and the wicket wasn't too fast, I was in a bit of a mess, and I decided to keep him in his place by standing up. He played a shot on the wall, and I had the balls off at once, but Taylor is still furious about it. 'I don't often lose my temper on a cricket field, but that time...'

His best dismissal actually allowed was a leg-side catch that dismissed Smith, of Middlesex, off Hendrick. The ball rocketed off an inside edge and Taylor charged in on mid-air to take it.

These high spots were all made possible by Taylor's schoolboy impatience at the lack of involvement he felt when fielding at long leg. He asked teacher for a go with the gloves, and the rest is history.

Standing up is what it is all about, of course. "I judge a 'keeper by the way he stands up. Standing up shows whether you are a wicketkeeper or a bat-stop." He looks on goalkeeper-style batsmen-in-gauntlets with about as much tolerance as Rembrandt would regard painting by machines. "A good 'keeper must create chances, like standing up to make the batsman play differently. He must have impeccable concentration, be physically and mentally fit, and set an example to the fielders."

All good stuff, this, and one would accept no less from the man, but I am afraid he has totally disillusioned me. Last winter, standing up to Botham, he took a bounce lovingly into his gloves about half an inch behind the batsman's ear, a phenomenal example of high class reaction. But he knew it was going to be a bounce all along, he said.

Best matches? No surprise: Headingley, 1981 was first on his lips "though that was only interesting on the final day." I have dim memories of the fourth day being not altogether without interest, but then I am not England's wicketkeeper with a blinkered delight in my trade. The following Test was also pretty interesting on the final day, when that bony Somerset chap took five wickets for one run even though the keeper damn near dropped one of them. "It dipped and hit me on the thumb. I was pretty relieved when it stuck the second time." He took it somewhat in front of second slip.

Simon Barnes

Round-the-clock team wheel out the extra Special

By John Blunden

One of the most remarkable racing car design and construction projects undertaken was completed at Silverstone yesterday when a Renault-powered John Player Special team took the new Lotus 94T to the track for the first time. The team Lotus transporter in preparation for the British Grand Prix, sponsored by RAC, on Saturday.

Designed by Gerard Ducrocque, the team's recently appointed chief engineer, they have brought the car from conception to reality in just five weeks by the JPS work force, who have been working in shifts for 21 hours a day, seven days a week, in an effort to provide their driver, Nigel Mansell and Elio De Angelis, with competitive cars for the team's most important grand prix of the year.

The workshops have been idle only between 3.0 am and 6.0 am during the production period and the afternoon team have been working a 13-hour shift from 2.0 pm on in order to complete the car in time for the British Grand Prix. The first car was completed on Sunday, then taken to Donington on Tuesday for its first tests while the second car was being completed at the factory.

This year, the Lotus team have been in the doldrums, with large and overweight cars which have handled badly on the tyres at their disposal. Their only championship point all season had been earned by Nigel Mansell, who finished sixth in Detroit. But by then Peter Warr, the team's manager, had already taken decisive action.

Determined to strengthen his design team, he had offered the post of chief engineer to Ducrocque, who had recently resigned from a similar position with Alfa Romeo, during a discussion in the JPS motorhome in the paddock at Spa on the eve of the Belgian Grand Prix. The talented French designer, who had previously worked with Mercedes and Ligier, had already received two other offers, and so asked Warr for a week in which to think things over.

and a replacement designed. He was given the go-ahead, understanding that the new car would be ready for Silverstone.

By June 12 Ducrocque was able to telephone Warr - in Montreal for the Canadian Grand Prix - that all drawings had been completed two days ahead of schedule, apart from those for the outer bodywork, on which they were still debating. The following day he completed his bodywork drawings during a weekend home in Paris, then flew back to Norfolk where the double shift work pattern began that afternoon. It would take just 10 days to produce the carbon fibre and Kevlar chassis mouldings and bodywork.

Meanwhile, special components were ordered from England, France, Italy and the United States and all went well until June 25 when a vital consignment of a special alloy for suspension parts was omitted from a package of French parts. A desperate search followed through the night to pick it up, survived being knocked off his bike twice and returned with the metal within 24 hours.

On July 4 two more days were lost when another outside supplier failed to meet a deadline with rear suspension components but again the time was made up and the finishing touches to the first 94T were applied last Sunday evening. Apart from the basic chassis mould the car is entirely new, right down to the pedals.

Warr said yesterday: "I just can't pay enough tribute to Gerard Ducrocque for the way he tackled the job, or to all the staff at Silverstone who have thrown everything into producing the car to a seemingly impossible and back-breaking schedule. The moment of truth will be at 10.0 this morning when Mansell and De Angelis start their new-look cars on the Silverstone circuit for the first official practice for Saturday's race."

No engine trouble

Tag Turbo Engines have announced the successful completion of the first 12-hour tests of the Tag 101 turbo engine. The first development engine fitted to the Marlboro MP4/1D development chassis, driven by John Watson and Niki Lauda, has now run for more than 1,000 kilometres.

Irresistible appeal of the man in the Noddy hat

Taylor asked teacher for a go with the gloves - and the rest is history

I must be getting soft. I had an interview all fixed up with Bob Taylor long before the Test team was named, and in the week before the interview, the papers were full of speculation that he would lose his place to some bright-eyed young scrobbler of a wicketkeeper. I was in line for a real heavy exclusive.

"Taylor's world lay in ruins. Ashen faced, the pithless-shod midlife maestro faced the fact that his life had been shattered. But the grey-haired master craftsman told me as we sat in the sun-drenched Bristol cricket ground: 'Make no mistake. England hasn't seen the last of Bob Taylor.'"

But dreams of writing such an impeccably tough story were dashed as the England selectors brought Taylor back into the international fold. And what is more, I rejoiced at the news.

There is something irresistibly appealing about Taylor. Not only does he keep with awesome composure, but he wears a Noddy hat to do it in; when he is happy he breaks into a little skip; for years he understood the chap with the exercises without a trace of bitchiness or resentment. When Knott went to join Kerry Packer, Taylor moved from understudy to star without a trace of swank; his joy in being the focal point for a fielding side communicates across all boundaries; his heady delight as a wicket falls is utterly infectious; and his efforts at meeting out congratulations by trying to throw his arms all the way round Ian Botham can excite only admiration.

Perhaps it is his long acceptance of second place to Knott that inspires both sympathy and the belief that he is an unquestionably good bloke. A meek chap buffeted by the winds of fortune. That would be a little inaccurate: a good bloke, certainly, but by no means meek. Top class professional sportsman do not tend to be whimsical. And Taylor is a genuine professional, in the non-performative sense of the word, as well as a genuine sportsman.

He has an absolute delight in his craft, and an action replay memory of the more significant incidents in more than 20 years of first class cricket. Like a leg-side stumping off Lever of all people. You have to be a remarkably good 'keeper even to consider standing up to a bowler that

quick, let alone to make a stumping. "It was in Pakistan, and the wicket wasn't too fast, I was in a bit of a mess, and I decided to keep him in his place by standing up. He played a shot on the wall, and I had the balls off at once, but Taylor is still furious about it. 'I don't often lose my temper on a cricket field, but that time...'

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Taylor: an absolute delight in his craft.

Melbourne last winter was, he decided, perhaps the best of all for sustained involvement, with the last rites performed as 18,000 people turned up to see a day's cricket that might have ended with the first ball. It didn't, and finished only after a jolly game of volleyball in the slips: "That's why Thomson is a No. 11 batsman, he had no need to play that ball, he just lost concentration."

Which brings us to batting, and the fact that Taylor lacks his predecessor's near genius for improvisatory counter attack. Taylor has an average of 20 for England however, and not a few batsmen would envy that. But he said: "If I lost form as a batsman, I'd be concerned. But if I lost form as a wicketkeeper, I'd lose sleep."

Taylor will be 42 on Sunday, so happy birthday. He will be playing for Derbyshire next summer; his winter plans are flexible but he would not mind playing cricket in New Zealand if anyone asked him. After 1984 he is moving to what he mysteriously terms "new challenges."

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| 22 1/2 PTS.....£27.00 | 6 AWAYS.....£45.45 |
| 22 PTS.....£11.36 | |
| 21 1/2 PTS.....£4.76 | |
| 21 PTS.....£1.12 | |

Table Chance Dividends in units of 2/5p. Expenses and Commission 25th June 1983 - 25.7%

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| 23 pts.....£50.30 | HI-SCORE PRIZE.....£1,871.00 |
| 22 1/2 pts.....£7.10 | HI-SCORE PRIZE.....£488.00 |
| 22 pts.....£3.40 | Winning Match Number 1, 2, 3, 33 with any two from 4, 9, 22, 25 |
| 21 1/2 pts.....£1.20 | |

Table Chance Dividends in units of 1/5p. Expenses and Commission for 25th June 1983 - 25.7%

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| 22 1/2 Pts.....£1.60 | 22 Pts.....£11.36 |
| 22 Pts.....£0.85 | 21 |

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We are seeking an efficient, experienced Secretary to look after 3 executive advertising executives handling a wide range of advertising and public relations accounts.
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A good salary is offered together with excellent working conditions. For an interview, please telephone Liz Goodchild on 01-488 1838 or write to her at Baskerville Advertising and Marketing Ltd, 18 Dering St, London W1.

BLOOMSBURY HEALTH AUTHORITY

MEDICAL SECRETARIAL TRAINING SCHEME
The Health Authority is seeking to recruit a number of young people to undertake a three year training scheme in the Medical Secretarial profession. The scheme is designed to provide a comprehensive training programme for those who wish to enter the profession. The scheme is open to those who are aged 18 to 25, have a minimum of five GCSEs, and are able to undertake a three year training programme. The scheme is open to both males and females. The scheme is open to those who are able to undertake a three year training programme. The scheme is open to those who are able to undertake a three year training programme.

CHELSEA FINE ART PUBLISHERS

Seeking experienced/qualified Secretary for Chelsea Fine Art Publishers. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

NO SHORTHAND

Seeking experienced/qualified Secretary for No Shorthand. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

St. Mary's Hospital

Seeking experienced/qualified Secretary for St. Mary's Hospital. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

PART-TIME SECRETARY

Seeking experienced/qualified Secretary for Part-time Secretary. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a part-time position. The salary is £15,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

CLEAR DRIVING LICENCE

Seeking experienced/qualified Secretary for Clear Driving Licence. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

PERSONNEL ADMINISTRATION

Seeking experienced/qualified Secretary for Personnel Administration. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

PA SECRETARY FOR MD OF CIVIL ENGINEERING

Seeking experienced/qualified Secretary for PA Secretary for MD of Civil Engineering. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

SECRETARIES FOR ARCHITECTS

Seeking experienced/qualified Secretary for Secretaries for Architects. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

RECRUITMENT VACANCIES

Seeking experienced/qualified Secretary for Recruitment Vacancies. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

COMPUTER ADVERTISING

Seeking experienced/qualified Secretary for Computer Advertising. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

YOUNG SECRETARY

Seeking experienced/qualified Secretary for Young Secretary. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

INTERNATIONAL APPOINTMENTS

Seeking experienced/qualified Secretary for International Appointments. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

MALE ADMINISTRATIVE ASSISTANT

Seeking experienced/qualified Secretary for Male Administrative Assistant. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

INTERNATIONAL SECRETARIES

Seeking experienced/qualified Secretary for International Secretaries. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

Public Appointments

Seeking experienced/qualified Secretary for Public Appointments. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

DIRECTOR OF DEVELOPMENT SERVICES

Seeking experienced/qualified Secretary for Director of Development Services. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

SPORTS COUNCIL

Seeking experienced/qualified Secretary for Sports Council. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

The old girl network

Ann Hills examines the growing number of clubs for women in management

"Men are used to old boy networks, to picking up the phone, making contacts. Women are very reluctant to do the same." That is the view of Irene Harris, founder of Network, an association of women in the professions, industry, commerce and the arts designed to promote the kind of interchange men take for granted. It is one of a growing band of women's groups, including Women in Media, Women in Banking, City Women's Network, and Zonta. They are hardly noticed by the media because meetings tend to be peripatetic. Women don't, after all, have formal clubs with exclusive entrances, bars and restaurants.

Yet their clubs do attain similar exclusiveness. The Women's Advertising Club of London may be discovered holding a discussion around a vast boardroom table. This is one of the "grannies", formed exactly 60 years ago by women in top positions. The story goes that they were embarrassed about paying for men in restaurants - the club meant a signature sufficed long before the era of plastic money. Membership is still limited to a mere 50 women, under the presidency this year of Elizabeth Fallaw, director of Dorland Advertising.

Most of the networking associations have grown in the last five years in answer to increasing numbers of women feeling isolated in senior positions in specialist areas. A few, such as Women in Industry, flourished for a while, but without structures and regional interest, or a limited geographical brief (most seem to concentrate on London) they fell apart. Out of London, top career women still lack clubs and there are always problems of family commitments, or the tendency of women to become self-confessed workaholics. Both are time consuming - meetings can only be occasional. "I work all hours, even evenings, and don't have time to go out," Jean Denton, managing director of Heron Drive and female Executive of the Year in 1982, says.

She allows some time for networking. "I tend to join to find expertise in others and to make useful contacts. I've found talent in the Marketing Group of Great Britain (which isn't just for women) and Network (which is), on the understanding that you don't let a girlfriend down. What worries me about women's groups is the danger of being introverted and becoming things have been easy for men. They have not. We are forming organizations, as men do with their clubs."

Irene Harris of Network points out that the tone of meetings is not particularly feminist. She stresses that it is a refreshing way to meet and to develop links. "Women don't tend to

keep friends from schooldays as men do. I have to tell members that it is acceptable to telephone other members listed in the directory - someone might want advice from a medical specialist, or suggestions on marketing from a top public relations officer. A phone call isn't asking a favour."

Membership (£35 per year) has led to useful developments through contacts - the case of an estate agent who discovered a member in a bank who could help finance the project. Lawyers in the association tend to be asked to work for other members, now totalling about 200.

Apart from the directory, newsletters and discount cards, Irene Harris arranges meetings with celebrities and speakers, and is planning the first trip abroad - to the Champagne district of France in September. Weekends to beauty farms are occasional excursions and more ambitious links are being built with associate members as far apart as Singapore and New York. But there is still no regional branch in Britain.

Who can join? The official guideline is two years experience at senior level in a company, but criteria for self-employed members, and others in the arts, are based on different personal achievements. "Everything we do has to be the best. Why should women go to tacky restaurants. Men don't resent spending money on themselves - why should women?", Irene says.

Zonta has different motives. An international body which began in

Buffalo, New York State in 1919, it has seven clubs in Britain with membership between 25 and 40. London II Club is one of the newest, like the others intended to encourage "high ethical standards in business and the professions" and to improve "the legal, political and professional status of women". Projects range from fund raising for disabled people, to helping East London schoolgirls obtain good jobs by visiting schools and through invitations to firms represented in Zonta. The clubs actively support the 300 Group, which is intended to raise the number of women in the House of Commons.

The National Organization for Women's Management Education (NOWME) wants women to aim for high qualifications, develop careers in management, help themselves to their potential. It provides information, training materials, hints on bursaries, all explained in an introductory leaflet.

Nickie Fonda of Brunel University, who has made a marked impact in encouraging women to succeed, especially in planning careers, regards networking as "invaluable, providing a chance to practise skills. Members of networking groups can become public speakers, find out about management training and other companies work and who to contact within them". Networking for women is a highly practical activity, with precious little time spent lounging about or consuming part - the organizing career woman hasn't the time.

A short list of organizations of women in executive networks may be obtained by sending a SAE to Career Horizons, Room 137, The Times, Gray's Inn Road, London WC1X 8EZ.

MARKET PLACE

Philip Schofield's monthly column on job vacancies

The job market now appears to have entered a period of steady growth. The number of job vacancies notified to Jobcentres has averaged 176,000 for the quarter ending June - almost 9 per cent up on last year. In the spring months, growth was just over 4 per cent. As Jobcentres handle only a third of all vacancies, the monthly total of jobs exceeds half a million.

Vacancies for management, professional and technical positions increased even more sharply. P.E.R.'s weekly job newspaper *Executive Post* marked 2,327 vacancies, an increase of 33 per cent on last year. Recruitment advertising volume in the seven

"quality" national newspapers was up by almost 14 per cent.

In a survey of 1,260 employers, Manpower found that job prospects are at their most favourable for four years. More than twice as many plan to take extra staff in the third quarter of 1983 as are expecting cuts. This is the highest level of net increase forecast since mid-1979.

The survey indicates that in manufacturing, the most buoyant areas are private building, electrical engineering, clothing and vehicle manufacturing. Service companies are particularly optimistic, especially in retailing and banking.

Organization requires full-time and temporary secretaries who are based in or near London but who are prepared to travel throughout the U.K. during the week. A candidate should have a minimum of 10 years' experience in a secretarial capacity and be able to handle a heavy workload. Applications should be sent to: Egon Ronay Organisation, 20 Grosvenor Gardens, London W1X 2DA. Tel: 01-584 5060.

Public Appointments

SOUTH BANK POLYTECHNIC

CHIEF ADMINISTRATIVE OFFICER

SALARY - UP TO £20,750 p.a.

South Bank Polytechnic is looking for an experienced administrator to head its administration as Secretary and Clerk - a job with plenty of challenge and interest.

The Polytechnic is a large organisation - more than 8,000 students and 2,000 staff - with a budget of more than £22 million a year, but it retains much of the friendly atmosphere of far smaller organisations.

The Secretary and Clerk is responsible for co-ordinating finance, legal, personnel, catering, housing and other services.

Preliminary interviews will be held during August and September, to suit the convenience of applicants.

Details and application forms from the Staffing Officer, Polytechnic of the South Bank, Borough Road, London, SE1 0AA.

If you would like further background, either before or after obtaining the forms, please telephone Sam Evans, the present Secretary and Clerk, on 01-928 8888, ext 2001.

ASSOCIATION OF UNIVERSITY TEACHERS

LONDON OFFICER

Applications are invited for the post of London Officer to be stationed at A.U.T. Headquarters. The main duties of this post will be to provide assistance to local associations in the London conurbation.

Experience of work in a trade union or professional association or in the field of education is an essential qualification.

Salary scale £9,875-£14,125 plus London Allowance of £1,185 p.a. Where applicable, removal expenses will be met.

Further details from General Secretary, Association of University Teachers, United House, 1 Pembroke Road, London W11 3AL. Tel: 01-221 4370.

Closing date for receipt of applications 1 August 1983.

EXECUTIVE APPOINTMENTS

Chamber of Commerce Director

The Swedish Chamber in the U.K. seeks a Director. Applicants must speak good Swedish and have a wide range of international business experience and good knowledge of Swedish laws, practice, institutions and companies. Salary negotiable. Please apply with C.V. to Box 1878 The Times.

EGON RONAY

Organization requires full-time and temporary secretaries who are based in or near London but who are prepared to travel throughout the U.K. during the week. A candidate should have a minimum of 10 years' experience in a secretarial capacity and be able to handle a heavy workload. Applications should be sent to: Egon Ronay Organisation, 20 Grosvenor Gardens, London W1X 2DA. Tel: 01-584 5060.

GRAPE PICKING

Seeking experienced/qualified Secretary for Grape Picking. The position involves a wide range of administrative and clerical duties. The successful candidate will be responsible for the day-to-day running of the office. The position is a full-time position. The salary is £25,000 per annum. The position is open to both males and females. The position is open to those who are able to undertake a three year training programme.

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We are looking for efficient and articulate people who would enjoy becoming involved in selling our Ski holiday. A good telephone manner and the ability to work under pressure are essential. A knowledge of skiing or French or German and a sound office background are advantages.

For further details contact David Vickers on 01-584 5060.

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Our client, part of a large multi-national Group, is an international market leader generating a multi-million pound profitable turnover in sophisticated electro-mechanical equipment with a high technology content for industrial and scientific uses.

They are poised to expand their successful product base in world markets and seek a number of professionals to work both in this country and overseas. The appointments to be filled are:

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To take responsibility for developing and implementing marketing strategy for a group of high precision engineered products. The work also involves identifying, evaluating and developing opportunities for new business and improved product profitability.

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To take responsibility for organising the sales of the extensive product range to industrial, scientific and laboratory outlets. Three appointments are to be made covering the following areas:

- United Kingdom
- Northern Europe
- Eastern Europe, Africa, Middle East, Australia.

Ideally, candidates - men and women, will be in the age group 27-35 with a degree in a technical discipline and with several years appropriate experience in selling or product management.

The importance of these key positions is reflected in the negotiable salary. All positions carry a car, pension scheme and other benefits appropriate to a substantial organisation, including relocation expenses.

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Cabinet War Rooms

Curator

The Cabinet War Rooms complex which remains virtually as it was in May 1945, will be open to the public from early in 1984. The Curator will be responsible for day to day administration including management of staff and will be expected to initiate schemes to publicise this new museum.

Candidates must have a sound knowledge of twentieth century military history, particularly the history of the second World War. They should normally have a degree, preferably with 1st or 2nd class honours, in modern history or a related discipline. Those without such qualifications will only be considered if they have other qualifications or experience of special value. Preference will be given to those with some knowledge of the history of the Cabinet War Rooms. Research and relevant administrative experience would be advantageous.

Salary £20,000-£21,465. Starting salary according to qualifications and experience.

For further details and application form (to be returned by 8 August 1983), write to Civil Service Commission, Alcon Link, Basingstoke, Hants. RG21 1B, or telephone Basingstoke (0256) 48831 (morning service operates outside office hours). Please quote ref. G/22382.

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You probably already have a good career record. You may be as young as 25. You may be in your early fifties. But are you really going places yet?

If you have a sympathetic, yet dynamic personality and a mature, positive approach to life, we can help you get there.

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H.M. CORONER

FOR NORTH HUMBERSIDE & SCUNTHORPE
£19,278 - £20,580

As a result of a reorganisation of Coroners' Districts the North Humberside and Scunthorpe Districts are to be amalgamated to form a single District to be known as the North Humberside and Scunthorpe District.

The new Coroners' District extends over the whole of North Humberside and the west of the County of Lincoln. The Coroners for the new District will be appointed by the Lord Chancellor. The Coroners will be based in Hull. The County Council intend to recruit a number of Coroners and Deputy Coroners to the new District.

Applications are invited for this full-time post from Barristers, Solicitors or legally qualified medical practitioners of not less than three years standing in their profession. Experience as a Coroner, Deputy Coroner or Assistant Coroner would be an advantage.

Applications should be sent to the Director of Administration, North Humberside County Council, County Hall, Scunthorpe, North Humberside, HU17 9BA (Ref. E24 to act as reference).

There are no applications from outside this post.

**ACTIVE QUALIFIED
NANNY/GOVERNESS**

Over 30 required for South America. 1 delightful family aged 5 and
years are looking for caring capable lady willing to take full responsi-
bility in parents absence. A lady who would enjoy occasional foreign
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TEL: 362 8983

**THE LORD CHANCELLOR'S
DEPARTMENT**

has vacancies for
casual COOKS and BUTLERS

to attend HM High Court Judges, at various lodgings throughout England and
Wales, from 31st October to 15th December 1983.

Candidates must have had recent relevant experience and be prepared to travel
with the £12 per day round reviews/ food and accommodation is provided.

free of charge, travelling expenses are reimbursed.
Further employment may be offered after successful completion of this period.
For further information, please write to: Mr. J. H. Smith, British Council, 100
Portico, Lord Chamberlain's Department, Nettle House, Page Street, London SW1
1 2LH. Tel 7723. Closing date for receipt of application forms is 26th July.

[illegible][illegible]

CONTRACTS AND TENDERS

*By Order of the Secretary of State for Defence
For sale by tender*

**Marine Chronometers
and Barometers**

The Ministry of Defence has for sale a number of boxed 2-day Marine Chronometers by Victor Külbberg and Mercor, and Chronometer Watches (Navigation) by Ulysse. Nardin, manufactured at various dates from the turn of the century to 1945. All of these time-pieces will require some attention.

There is also a small number of Marine Barometers by Short and Mason and Nagretti and Zambra.

Sales will be tender and you should apply for details, quoting Reference Dept 7, by 12 August 1983 to Ministry of Defence, Sales Support Sqd, Room 1179, St Christopher House, Southwest Street, London SE1 0TD.

Viewing will be in Central London.

COMMERCIAL AND INDUSTRIAL PROPERTY

OFFICES - 16 years lease for sale, well fitted, 3 storey flat, in prime location on the Green, Richmond, Surrey, Surrey, 1,200 sq. ft. carpeted and decorated. Gas, electric, heating and Central London. Tel: 0203 650 000 for lease. Tel: 01 940 7595.

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Furnished, All main services.
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THE COUNTY COUNCIL OF WEST WILSHIRES

County Hall
1 Lansdown Circus, Gloucestershire
Birmingham B4 7DU

**BIRMINGHAM AIRPORT
DUTY PAID SHOP**

The concession to operate the duty paid shop at Birmingham Airport has been awarded to the above tenderer. Companies wishing to compete from this date by 19th July 1983, to P O Williams, M.A., Head of Procurement, at the above address, quoting reference L HDC AP 11 200.

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An opportunity to acquire a well-run, efficient, privately-owned forwarding business with good management. The company is based in Central London with Bonded Warehouse accommodation. Annual turnover is £2½ million per annum.

An excellent opportunity for a National/International company to expand into the market in which we specialise.

*Please reply to Box 2627, 35 St Thomas Street
London SE1 9SN*

PUBLIC NOTICES

POTATO MARKETING BOARD
ELECTION OF CERTAIN DISTRICT MEMBERS 1983

The Potato Marketing Board announces that the undermentioned elections will be held on **Wednesday 26th October 1983**, in accordance with the requirements of the Potato Marketing Scheme, 1966, as amended. Under the Scheme, the Board's electoral Districts are divided so that to guarantee the election of those who were prior to 1st April 1974. Those Districts in which elections will be held are defined below.

| Districts | Candidates | Number of Members to be elected | Present Members |
|------------------------|--|---------------------------------|---|
| South Eastern | Alfred Bryant Margaret and Leonard (the City) Barnard Barnham The wife of Wight Chorlton B. Chapman Sunderland Widdow | 2 | Mr. W. E. Firth Mr. W. H. Reinwick |
| Northern | Cambridge Northampton Between the water County Westminster Leicester Yorkshire | 4 | Mr. T. H. Croyle Mr. F. W. Harrison Mr. R. M. Kide Mr. C. Trevithick |
| South East Scotland | Highland Berwickshire Fife South Ayr East Lothian Midlothian West Lothian | 1 | Mr. J. McFarlane |

North
West
Scotland

Orkney
Shetland
Caithness
Sutherland
Ross and Cromarty
Highland
Morayshire
Aberdeenshire
Aberdeen
Argyllshire

1

C B E
F R A G

M R D S Craik
C B E
F R A G

Nominations of candidates, and deposits of £20 in respect of each, must be lodged with the Potato Marketing Board, 80 Hans Crescent, Kewsthorpe, Loughborough, Leics. SW1X 0NB, not later than 4.00 p.m. on Wednesday 1 September 1965. Envelopes should be addressed to the Secretary of the above address, and marked "Election" in the top left-hand corner.

Qualifications for nomination and conditions which must be fulfilled are set out in the Potato Marketing Scheme 1965, as amended to 1 March 1976, and copies of which may be obtained, price 50p net, by application to the Secretary of the Board.

Members elected on 26th October will hold office for three years from 21st October 1965.

W. L. SPROGGE
Secretary

80 Hans Crescent,
Kewsthorpe,
Loughborough, Leics.
SW1X 0NB

| | |
|--|--|
| <p>LEGAL NOTICES</p> | <p>LEGAL NOTICES</p> |
| <p>THE STRAYBURY LIMITED AND THE COMPANIES ACT 1963 NOTICE is hereby given pursuant to Section 205 of THE COMPANIES ACT 1963 that a Meeting of the Creditors of the above named Company will be held at the offices of Leonard Curtis & Co., The London Loan Market, 25, Abchurch Lane, London E.C. 4, on Friday the 12th of July at 10 o'clock in the forenoon for the purposes mentioned in Sections 204A and 204B of the said Act. Dated this 1st day of July 1963 G. STICKNEY Director</p> | <p>SCORSE Limited. NOTICES NOTICE is hereby given pursuant to Section 205 of THE COMPANIES ACT 1963 that a meeting of the creditors of the above named Company will be held at the offices of Leonard Curtis & Co., situated at 25, Abchurch Lane, London E.C. 4, on Friday the 12th day of July 1963 at 12.00 o'clock midday for the purposes provided for in Sections 204A and 204B of the said Act. Dated the 1st day of July 1963 J. BULLOCK Director</p> |

...and the

